



LODI CITY COUNCIL

Carnegie Forum

305 West Pine Street, Lodi

AGENDA – REGULAR MEETING

Date: August 16, 2006

Time: Closed Session 5:30 p.m.
Regular Meeting 7:00 p.m.

For information regarding this Agenda please contact:

Jennifer M. Perrin

Interim City Clerk

Telephone: (209) 333-6702

NOTE: All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 24 hours prior to the meeting date.

C-1 Call to Order / Roll Call

C-2 Announcement of Closed Session

- a) Actual litigation: Government Code §54956.9(a); one case, City of Lodi v. Michael C. Donovan, an individual; Envision Law Group, LLP, et al., San Francisco, Superior Court, Case No. CGC-05-441976
- b) Actual litigation: Government Code §54956.9(a); one case; Hartford Accident and Indemnity Company, et al. v. City of Lodi, et al., Superior Court, County of San Francisco, Case No. 323658
- c) Actual Litigation: Government Code §54956.9(a); one case; People of the State of California; and the City of Lodi, California v. M & P Investments, et al., United States District Court, Eastern District of California, Case No. CIV-S-00-2441 FCD JFM
- d) Actual litigation: Government Code §54956.9(a); one case; Peter Rose et al. v. the City of Lodi, et al.; United States District Court, Eastern District of California, Case No. CIV.S-05-02229
- e) Actual Litigation: Government Code §54956.9(a); one case; County of San Joaquin v. City of Stockton et al., San Joaquin County Superior Court, Case No. CV029651
- f) Conference with legal counsel – initiation of litigation; Government Code §54956.9(c); one case

C-3 Adjourn to Closed Session

NOTE: THE FOLLOWING ITEMS WILL COMMENCE NO SOONER THAN 7:00 P.M.

C-4 Return to Open Session / Disclosure of Action

A. Call to Order / Roll call

B. Invocation – Ken Owen, Christian Community Concerns

C. Pledge of Allegiance

D. Presentations

D-1 Awards

- a) Presentation of Community Improvement Awards (CD)

D-2 Proclamations

- a) Jumpstart's Read for the Record Day (LIB)

D-3 Presentations – None

E. Consent Calendar (Reading; comments by the public; Council action)

- E-1 Receive Register of Claims in the amount of \$6,508,874.99 (FIN)

- E-2 Approve minutes (CLK)
 - a) June 21, 2006 (Regular Meeting)
 - b) July 18, 2006 (Shirtsleeve Session)
 - c) July 25, 2006 (Shirtsleeve Session)
 - d) August 9, 1006 (Special Meeting)
- E-3 Receive quarterly report of purchases between \$5,000 and \$20,000 (FIN)
- E-4 Approve request for proposals for benefits administration consultant/broker (CM)
- Res. E-5 Adopt resolution awarding contract for upgrades to Carnegie Forum audio/visual presentation equipment to Anderson Audio Visual, of Sacramento (\$18,713.75) (CM)
- Res. E-6 Adopt resolution awarding contract for Well 27 Well Drilling at 2360 West Century Boulevard (DeBenedetti Park) to Zim Industries, Inc., of Fresno (\$208,700) (PW)
- Res. E-7 Adopt resolution awarding contract for Church Street and Sacramento Street Overlays 2006 Project to George Reed, Inc., of Lodi (\$374,790) (PW)
- Res. E-8 Adopt resolution approving additional technical services with Treadwell & Rollo, Inc., and appropriating funds (\$235,000) (PW)
- Res. E-9 Adopt resolution accepting improvements under contract for Elevated Water Tank Recoating Project (PW)
- Res. E-10 Adopt resolution accepting street improvements along Harney Lane and Cherokee Lane and 24-foot wide public lanes within The Villas, Tract No. 3400 (PW)
- Res. E-11 Adopt resolution accepting improvements at Vintner's Square, Parcel Map No. 002P008 (corner of Lower Sacramento Road and Kettleman Lane) (PW)
- Res. E-12 Adopt resolution authorizing the City Manager to execute a professional services agreement with Wenell Mattheis Bowe for design services for the Municipal Service Center transit vehicle maintenance facility (not to exceed \$186,700) (PW)
- E-13 Authorize the City Manager to terminate the lease option agreement with Lodi City Center 12 for the retail space in the Lodi Station Parking Structure (CM)
- E-14 Set public hearing for August 30, 2006, to consider certifying an Environmental Impact Report and approving General Plan amendment, zone change, development agreement, and annexation to allow development of a single tenant office building (approximately 200,000 square feet) on 20 acres, general retail commercial uses on 40 acres, 1,084 dwelling units of various densities, and associated public and quasi-public facilities (Reynolds Ranch project) on a total of 220 acres located on the south side of Harney Lane between State Highway 99 and the Union Pacific Railroad to the west (Applicant: San Joaquin Valley Land Company, File #s 06-GM-01, 06-EIR-01, 06-AX-01) (CD)
- E-15 Set public hearing for September 6, 2006, to consider two appeals of the Planning Commission's site and architectural plan approval for the Vineyard Christian Middle School located at 2301 West Lodi Avenue (Appellants: Vineyard Christian Middle School and David Johnson et al., regarding File #06-SP-06) (CD)

F. Comments by the public on non-agenda items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted.

Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

G. Comments by the City Council Members on non-agenda items

H. Comments by the City Manager on non-agenda items

I. Public Hearings – None

J. Communications

J-1 Claims filed against the City of Lodi – None

J-2 Appointments – None

J-3 Miscellaneous – None

K. Regular Calendar

K-1 Provide direction with regard to a request from Mayor Hitchcock regarding consideration of a development moratorium (CM / CA)

Ord. K-2 Introduce ordinance amending Lodi Municipal Code Title 5 – Permits and Regulations – by
(Introduce) adding Chapter 5.25, “Pedicabs” (CM)

Res. K-3 Adopt resolution approving an alternative retirement system for part-time, seasonal, and temporary employees (CM)

K-4 Approve six-month budget for M&P Investments, Hartford, and Envision cases (CA)

K-5 Approve expenses incurred by outside counsel/consultants relative to the Environmental Abatement Program litigation and various other cases being handled by outside counsel (\$177,660.19) (CA)

L. Ordinances – None

M. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Jennifer M. Perrin
Interim City Clerk



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Presentation of Community Improvement Awards

MEETING DATE: August 16, 2006

PREPARED BY: Community Improvement Manager

RECOMMENDED ACTION: That the Mayor present Community Improvement Awards to the owners of the following properties: 800 S. Central, 406 Maple, 411 Maple, 420 Maple, 432 Maple and 435 Maple, for their efforts in improving and maintaining the appearances of their neighborhood.

BACKGROUND INFORMATION: In an effort to provide recognition to owners or occupants of residential, commercial or industrial properties that have made noted improvements or have demonstrated a history of a well-maintained property, all of which contributes to the beautification of the community, the Community Improvement Award program was established. Community Improvement Award nominations are received at various times throughout the year and are brought before the Lodi Improvement Committee for review at their regular meetings. City Staff provides the Improvement Committee with any pertinent information, including property ownership, the nature of the improvements or conditions upon the property that warrant recognition, as well as any background pertaining to code enforcement, police activity or other notable issue that could have bearing on the nomination.

At the Lodi Improvement Committee of June 6, 2006, the following information and supporting photographs regarding several properties in a one-block stretch of an eastside neighborhood that had been nominated for Community Improvement Awards was received and taken under consideration:

800 S. Central - corner of Maple & Central

Property owner: Douglas Hieb

Very attractive, white-rail fence, well-maintained property.

406 Maple

Property owner: Mohammad A & Khalida Perviz

Good looking property. Stucco exterior.

411 Maple

Property owner: Enrique G & C R Leyva

Attractive property with wrought-iron fence.

420 Maple

Property owner: Cecelia Guzman

Attractive property. Stucco exterior and well landscaped yard.

APPROVED: _____
Blair King, City Manager

432 Maple

Property owner: Ignacio D & Rosie M Ortiz
Attractive property with wrought-iron gate/fence.

435 Maple

Property owner: Maria de La Luz Gomez
Good looking property, white-picket fence. Stucco exterior.

After the review of these nominated properties, the Lodi Improvement Committee voted unanimously to award Community Improvement Awards to all six of these nominated property owners as recognition and in appreciation for their efforts to improve and maintain the properties in such a fashion that it has a positive effect on the neighborhood and to celebrate them as examples for property owners and residents throughout the community.

Joseph Wood
Community Improvement Manager

cc: Lodi Improvement Committee
Douglas Hieb
Mohammad A & Khalida Perviz
Enrique G & C R Leyva
Cecelia Guzman
Ignacio D & Rosie M Ortiz
Maria de La Luz Gomez

800 S. Central Avenue



800 S. Central Avenue



406 Maple



411 Maple



411 Maple



420 Maple



432 Maple



432 Maple



435 Maple



435 Maple





CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Jumpstart's Read for the Record Day

MEETING DATE: August 16, 2006

PREPARED BY: Library Services Director

RECOMMENDED ACTION: That Mayor Hitchcock present a proclamation proclaiming August 24, 2006 "Read for the Record Day" in the City of Lodi.

BACKGROUND INFORMATION: Mayor Hitchcock has been requested to present a proclamation proclaiming August 24, 2006 as "Read for the Record Day." Stephanie Messmer, AmeriCorps Literacy volunteer, will be present to accept the proclamation.

FISCAL IMPACT: N/A

FUNDING AVAILABLE: N/A

Nancy C. Martinez
Library Services Director

APPROVED: _____
Blair King, City Manager



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Receive Register of Claims Dated Aug 1, 2006 in the Amount of \$6,508,874.99

MEETING DATE: August 16, 2006

PREPARED BY: Management Analyst

RECOMMENDED ACTION: That the City Council receive the attached Register of Claims. The disclosure of the PCE/TCE expenditures is shown as a separate item on the Register of Claims.

BACKGROUND INFORMATION: Attached is the Register of Claims in the amount of \$6,508,874.99 dated 8/1/2006 which includes no PCE/TCE payments and Payroll in the amount of \$1,136,360.94

FISCAL IMPACT: n/a

FUNDING AVAILABLE: As per attached report.

Ruby R Paiste, Financial Services Mgr.

RRP/kb

Attachments

APPROVED: _____
Blair King, City Manager



MEMORANDUM, City of Lodi, Finance Department

TO: City Clerk

FROM: Management Analyst

DATE: 8/4/2006

SUBJECT: Agenda Item for Aug 16, 2006 City Council Meeting

| <u>Agenda Title</u> | <u>Calendar</u> | <u>Action</u> |
|--|-----------------|---------------|
| Receive Register of Claims Dated Aug 1, 2006 in the Amount of \$6,508,874.99 | CC | MA |

Ruby R Paiste, Financial Services Mgr.

cc: City Attorney

| <u>Legend</u> | <u>Action</u> |
|--------------------------|--|
| P - Present./Proc. | MA - Motion Action |
| CC - Consent Calendar | RES - Adopt Resolution |
| PH - Public Hearing | ORD - Introduce Ordinance |
| PC - Planning Commission | INFO - Information Only |
| RC - Regular Calendar | DA - Discussion and Appropriate Action |
| CS - Closed Session | |

| | | | |
|------------------|------|------------|--------|
| Accounts Payable | Page | - | 1 |
| Council Report | Date | - 08/01/06 | |
| As of | Fund | Name | Amount |
| Thursday | | | |

| | | | |
|----------|-------|--------------------------------|------------|
| 07/20/06 | 00100 | General Fund | 858,100.51 |
| | 00160 | Electric Utility Fund | 24,512.94 |
| | 00161 | Utility Outlay Reserve Fund | 21,592.23 |
| | 00164 | Public Benefits Fund | 17,770.00 |
| | 00170 | Waste Water Utility Fund | 518,497.61 |
| | 00171 | Waste Wtr Util-Capital Outlay | 216,104.95 |
| | 00172 | Waste Water Capital Reserve | 148,665.77 |
| | 00173 | IMF Wastewater Facilities | 3,148.50 |
| | 00180 | Water Utility Fund | 3,941.43 |
| | 00181 | Water Utility-Capital Outlay | 255,712.98 |
| | 00182 | IMF Water Facilities | 10,006.80 |
| | 00210 | Library Fund | 192.79 |
| | 00235 | LPD-Public Safety Prog AB 1913 | 2,500.00 |
| | 00260 | Internal Service/Equip Maint | 16,154.88 |
| | 00300 | General Liabilities | 2,178.35 |
| | 00310 | Worker's Comp Insurance | 13,180.27 |
| | 00321 | Gas Tax | 638.60 |
| | 00325 | Measure K Funds | 3,774.00 |
| | 00332 | IMF(Regional) Streets | 100.00 |
| | 00340 | Comm Dev Special Rev Fund | 8,518.96 |
| | 00510 | SJ MultiSpecies Habitat Conser | 111.16 |
| | 01214 | Arts in Public Places | 5,884.00- |
| | 01250 | Dial-a-Ride/Transportation | 122,572.35 |
| | 01410 | Expendable Trust | 130,768.52 |

| | | | |
|-----|--|--|--------------|
| Sum | | | 2,372,859.60 |
|-----|--|--|--------------|

Total for Week

| | | | |
|-----|--|--|--------------|
| Sum | | | 2,372,859.60 |
|-----|--|--|--------------|

| | | | |
|------------------|-------|-------------------------------|--------------|
| Accounts Payable | Page | - | 1 |
| Council Report | Date | - 08/01/06 | |
| As of | Fund | Name | Amount |
| Thursday | | | |
| ----- | ----- | ----- | ----- |
| 07/27/06 | 00100 | General Fund | 398,542.28 |
| | 00123 | Info Systems Replacement Fund | 1,865.27 |
| | 00160 | Electric Utility Fund | 3,578,358.83 |
| | 00161 | Utility Outlay Reserve Fund | 28.45 |
| | 00164 | Public Benefits Fund | 3,974.35 |
| | 00170 | Waste Water Utility Fund | 9,402.60 |
| | 00180 | Water Utility Fund | 4,784.58 |
| | 00210 | Library Fund | 2,265.71 |
| | 00234 | Local Law Enforce Block Grant | 3,026.52 |
| | 00260 | Internal Service/Equip Maint | 20,723.41 |
| | 00270 | Employee Benefits | 44,704.54 |
| | 00320 | Street Fund | 6,352.25 |
| | 00321 | Gas Tax | 11,711.25 |
| | 00325 | Measure K Funds | 18,292.05 |
| | 00340 | Comm Dev Special Rev Fund | 10,944.91 |
| | 01211 | Capital Outlay/General Fund | 5,089.48 |
| | 01218 | IMF General Facilities-Adm | 1,755.11 |
| | 01250 | Dial-a-Ride/Transportation | 3,640.38 |
| | 01410 | Expendable Trust | 10,553.42 |
| | | | ----- |
| Sum | | | 4,136,015.39 |
| | | | ----- |
| Total for Week | | | |
| Sum | | | 4,136,015.39 |

| Payroll | Pay Per Date | Co | Name | Gross Pay |
|-------------------|-----------------|-------|--------------------------------|--------------|
| Regular | 07/16/06 | 00100 | General Fund | 781,343.82 |
| | | 00160 | Electric Utility Fund | 131,886.68 |
| | | 00164 | Public Benefits Fund | 5,023.96 |
| | | 00170 | Waste Water Utility Fund | 61,442.32 |
| | | 00180 | Water Utility Fund | 9,069.95 |
| | | 00210 | Library Fund | 32,201.31 |
| | | 00235 | LPD-Public Safety Prog AB 1913 | 197.92 |
| | | 00260 | Internal Service/Equip Maint | 16,633.21 |
| | | 00321 | Gas Tax | 57,687.88 |
| | | 00340 | Comm Dev Special Rev Fund | 37,879.12 |
| | | 01250 | Dial-a-Ride/Transportation | 2,994.77 |
| Pay Period Total: | | | | |
| Sum | | | | 1,136,360.94 |



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Minutes
a) June 21, 2006 (Regular Meeting)
b) July 18, 2006 (Shirtsleeve Session)
c) July 25, 2006 (Shirtsleeve Session)
d) August 9, 2006 (Special Meeting)

MEETING DATE: August 16, 2006

PREPARED BY: City Clerk

RECOMMENDED ACTION: That the City Council approve the following minutes as prepared:
a) June 21, 2006 (Regular Meeting)
b) July 18, 2006 (Shirtsleeve Session)
c) July 25, 2006 (Shirtsleeve Session)
d) August 9, 2006 (Special Meeting)

BACKGROUND INFORMATION: Attached are copies of the subject minutes, marked Exhibits A through D.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None required.

Jennifer M. Perrin
Interim City Clerk

JMP
Attachments

APPROVED: _____
Blair King, City Manager

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, JUNE 21, 2006**

C-1 CALL TO ORDER / ROLL CALL

The City Council Closed Session meeting of June 21, 2006, was called to order by Mayor Hitchcock at 5:33 p.m.

Present: Council Members – Beckman, Hansen, Johnson, Mounce, and Mayor Hitchcock

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and Interim City Clerk Perrin

C-2 ANNOUNCEMENT OF CLOSED SESSION

- a) Actual litigation: Government Code §54956.9(a); one case; *People of the State of California; and the City of Lodi, California v. M & P Investments, et al.*; United States District Court, Eastern District of California, Case No. CIV-S-00-2441 FCD JFM
- b) Conference with Blair King, City Manager, and Jim Krueger, Deputy City Manager (Acting Labor Negotiators), regarding Association of Lodi City Employees regarding General Services and Maintenance and Operators, pursuant to Government Code §54957.6

C-3 ADJOURN TO CLOSED SESSION

At 5:33 p.m., Mayor Hitchcock adjourned the meeting to a Closed Session to discuss the above matters.

The Closed Session adjourned at 6:58 p.m.

C-4 RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

At 7:06 p.m., Mayor Hitchcock reconvened the City Council meeting, and City Attorney Schwabauer disclosed that items C-2 (a) and (b) were discussion and negotiation direction only; no reportable action was taken.

A. CALL TO ORDER / ROLL CALL

The Regular City Council meeting of June 21, 2006, was called to order by Mayor Hitchcock at 7:06 p.m.

Present: Council Members – Beckman, Hansen, Johnson, Mounce, and Mayor Hitchcock

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and Interim City Clerk Perrin

B. INVOCATION

The invocation was given by Pastor Frank Nolton, New Hope Community Church.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Hitchcock.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

D-1 Awards – None

D-2 Proclamations – None

D-3 Presentations – None

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Mayor Pro Tempore Johnson, Mounce second, unanimously approved the following items hereinafter set forth **except those otherwise noted**:

- E-1 Claims were approved in the amount of \$5,694,955.56.
- E-2 The minutes of May 16, 2006 (Shirtsleeve Session), May 16, 2006 (Special Meeting), and May 23, 2006 (Shirtsleeve Session) were approved as written.
- E-3 Received the report of the disposition of surplus personal property (sale of scrap metal).
- E-4 Approved the sale of surplus overhead all aluminum conductor and related material to Merced Irrigation District.
- E-5 Approved the plans and specifications and authorized advertisement for bids for Well 27 improvements at 2360 West Century Boulevard (DeBenedetti Park).
- E-6 Adopted Resolution No. 2006-112 rejecting the sole bid for 15,000 feet of #1/0 600-volt triplex, approved the revised specifications, and authorized the advertisement for bids for 20,000 feet of #1/0 600-volt triplex.
- E-7 "Adopt resolution awarding the contract for tree trimming (power line clearing) to Trees, Inc., of Houston, Texas (\$350,000)" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
- E-8 Adopted Resolution No. 2006-113 authorizing the City of Lodi to contract for wireless services from Verizon Wireless under the terms of the State of California Contract for Wireless Services (Master Contract #IS-05-58-02).
- E-9 Adopted Resolution No. 2006-114 approving the final map and improvement agreement for the public improvements for 495 North Guild Avenue, directing the City Manager and City Clerk to execute the agreement on behalf of the City, and appropriating funds in the amount of \$13,150 for required reimbursements.
- E-10 Authorized the City Manager to execute amendment to encroachment permit agreement for 115 South School Street.
- E-11 Adopted Resolution No. 2006-115 authorizing the City Manager and designee to execute and file applications for Federal assistance with the Federal Transit Administration (FTA) and all associated activities on behalf of the City of Lodi and authorizing the City Manager, City Attorney, and Transportation Manager to be assigned personal identification numbers for all required FTA Transportation Electronic Award and Management System activities.
- E-12 Adopted Resolution No. 2006-116 authorizing transit services outside of regular service operations for the listed annual events and authorizing the Transportation Manager to advertise to determine if a willing and/or able provider exists for these events in accordance with the Policy for Use of Transit Service Outside of Regular Operations.
- E-13 Adopted Resolution No. 2006-117 authorizing the City Manager to execute an amendment to the contract with Greyhound Bus Lines, Inc. to approve receipt of commission for additional services.

- E-14 Adopted Resolution No. 2006-118 authorizing the City Manager to execute the Direct Payment Program agreement with the State of California Department of Community Services and Development for the term of July 1, 2006 through June 30, 2009.
- E-15 Adopted Resolution No. 2006-119 authorizing the City Manager to execute an amended and restated Project Agreement No. 5 for the participation in the WestTrans Open Access Same Time Information System.
- E-16 Adopted Resolution No. 2006-120 amending Lodi Electric Utility Department's rules to parallel the California Public Utilities Commission's rules concerning the amount of liability insurance required for small electrical generators that are interconnected with Lodi's system.
- E-17 Authorized staff to issue letter of opposition relating to AB 573 (Wolk), which would restrict the types of indemnification clauses that may be included in a public agency contract with a design or engineering professional or firm.
- E-18 "Adopt resolution waiving fees for house fundraiser by Hutchins Street Square Foundation" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar.**
- E-19 Set public hearing for July 5, 2006, to consider adoption of ordinance establishing low-income discounts for water and wastewater ratepayers.

ACTION ON ITEMS REMOVED FROM THE CONSENT CALENDAR

- E-7 "Adopt resolution awarding the contract for tree trimming (power line clearing) to Trees, Inc., of Houston, Texas (\$350,000)"

PUBLIC COMMENTS:

- Felix Huerta, business agent for the American Federation of State, County, and Municipal Employees, stated that, based on calculations of salaries and benefits of comparable positions within the market, the City is paying much more than it should to contract out this service and could instead hire seven or eight employees to perform tree trimming. There is a National company based in Ohio that provides the specific training needed to meet the certifications to trim trees around power poles, which has an office located in Lodi. He suggested the City look into whether it could do this in house more efficiently than contracting it out.

Electric Utility Director Morrow responded that contracting for tree trimming services is a standard in the electric utility industry as it results in many cost economies and management efficiencies. In addition to labor and benefits, the contractor also provides vehicles (including fuel and vehicle maintenance), specialized trucks, grinders, and necessary tools. The contract represents a 3.4% increase over last year, which is consistent with general inflation rates.

In response to Council Member Hansen, Mr. Morrow stated that it would be a major undertaking for the City to begin performing tree trimming services in house and would include hiring additional staff, training, management, and accounting services, which would be difficult to do with the existing workforce. Additionally, these skilled workers are trained to operate around high-voltage power lines and their safety drives up the cost.

Council Member Mounce questioned if this was the same company utilized last year, to which Mr. Morrow responded in the affirmative. She commented that she received a complaint from a citizen that the tree trimmers did not identify themselves as being a

contractor for the City of Lodi and she suggested that they be provided with a phone number for citizens to call to verify who they are.

Mr. Morrow assured Council that he would make certain there is proper identification on the vehicles and the contractors, as well as providing information to citizens about who to call with questions. He added that it is far easier to reduce or increase the workforce through the contract as the needs necessitate.

MOTION:

Council Member Beckman made a motion, Hitchcock second, to adopt Resolution No. 2006-121 awarding the contract for tree trimming (power line clearing) to Trees, Inc., of Houston, Texas, in the amount of \$350,000.

DISCUSSION:

Mayor Pro Tempore Johnson stated that the contractors recently trimmed trees on his property and he criticized that the trees were cut back severely, to which Mr. Morrow responded that the trees are trimmed on a cycle and are cut back by three to five years worth of growth.

VOTE:

The above motion carried by a unanimous vote.

E-18 "Adopt resolution waiving fees for house fundraiser by Hutchins Street Square Foundation"

Mayor Pro Tempore Johnson questioned what kind of participation this project has received, particularly in the area of title, escrow, loan, and realtor fees.

PUBLIC COMMENTS:

- Jeffrey Kirst, Vice Chairman of the Hutchins Street Square Foundation, reported that this project represents a change from the Foundation's annual Christmas fundraiser. The Foundation paid the plan check fees up front and purchased the lot from Dr. Kessler and Dave Williams, who provided a substantial reduction in the lot value. Farmers and Merchants Bank waived the loan fee and appraisal fee, Meehleis Modular offered to donate all of the lumber for this house, and the realtor fees were reduced substantially. The Foundation is requesting that the City participate by waiving the permit fees for the house. Anyone interested in participating in this fundraiser was encouraged to call Mr. Kirst at 334-4994.

MOTION:

Mayor Pro Tempore Johnson made a motion, Hansen second, to adopt Resolution No. 2006-122 waiving fees for house fundraiser by Hutchins Street Square Foundation.

DISCUSSION:

In response to Council Member Beckman as to whether or not this would be a gift of public funds, City Attorney Schwabauer responded that these fees are general fund related; they are not fees that would go into an impact fee program, for which this would not be permitted. The Constitution prohibits the gift of public funds, but defines an unauthorized gift of public funds as one that does not further the interest of the community at large. Cases have approved the granting of money to charitable programs, and he believed this would not be a gift of public funds since this money is going to Hutchins Street Square and paying off a debt that is owed on the Square.

VOTE:

The above motion carried by a unanimous vote.

City Manager King explained that this matter was placed on the agenda as it involved a waiver of fees that were established by Council resolution, for which staff does not have the authority to waive.

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Jane Lea encouraged citizens to vote yes on Measure H, the water rate reduction initiative, which would repeal the 38% water tax increase and refund residents. The City Council has raised the water rate twice this year, with an additional resolution to increase it for a cost adjustment, despite the 4,000 citizens who protested the rate and the 4,000 citizens who signed a petition to place this measure on the ballot. She encouraged Council to arrive at a solution that would least impact the citizens and suggested the following:
 - 1) Invite the attorneys of the successful groundwater suit in Modesto to speak to the Lodi City Council in an open forum and provide advice and options for Lodi.
 - 2) Sell off the \$1.2 million of water from the Woodbridge Irrigation District to the Central Valley project. Until the City is ready for the water, it could break even.
 - 3) Utilize the sale of the \$2 million worth of copper electrical lines, for which she could not find the revenue listed in the budget. She estimated that sale to be \$500,000 and questioned if it was put toward the clean up.
 - 4) Urged Council to pay only the financial obligations, i.e. the debt service to Hutchins Street Square. The suggestion of reducing the number of police officers by seven is not acceptable. Hutchins Street Square can run the programs it can afford; however, the City has an obligation to provide for health and safety with the tax dollars it collects from citizens. It is more important to provide police and fire protection than to subsidize the private foundation when the City is not fiscally sound. She estimated a cost savings of \$500,000.
 - 5) Increase the property taxes to the new homes going in as part of the development south of Lodi and dedicate those funds toward the groundwater contamination, along with the new tax revenues from Costco. She estimated the revenue to be \$700,000.
 - 6) Dedicate the money generated from the tax revenues from Wal-Mart, estimated at \$1 million, toward the groundwater clean up.
 - 7) Utilize the \$18 million now to begin the clean up, while these other revenues are being generated.

Ms. Lea further commented that the City Council, in 1996 in response to a request from former Council Member Ray Davenport, determined it would not make offices available for Council Members and she questioned why Council Member Hansen was granted use of an office.

- Otis Gladney, representing AAA Motorcycle Escort Services in Sacramento, stated that his company has been providing funeral escort services to the Lodi area for two years and would like to establish a base in Lodi. Mr. Gladney stated that there are other service providers that break speed laws and wear uniforms and ride motorcycles with sirens that are similar to the Lodi Police Department. He presented a draft funeral ordinance (filed) that would provide guidelines to operators and he requested the Council consider implementing it. Mr. Gladney indicated that he has discussed this issue with Police Chief Adams and Sergeant Carillo.

Mayor Hitchcock stated that the matter would be referred to staff.

- David Neilson thanked the Lodi Police Department and City officials who donated their time and expertise toward the efforts to improve the standard of living on East Locust Street. Due to Brown Act requirements, a number of City officials and Council Members were unable to attend their neighborhood meeting last night, at which the neighbors were presented with a set of tools that the City, Code Enforcement, and Police Department can offer to the residents. The neighbors are determined to continue to meet with the landlords in order to make the apartment buildings safe, secure, clean, and free of gang members. To date, one eviction and one three-day notice has been served and funds will be spent to secure the property and block access to the north alley. Code Enforcement indicated at the meeting that it has difficulty inspecting

rental units from the inside, and Mr. Neilson reported that the city of Stockton has an ordinance that requires a 24-hour notice. He suggested that City staff contact Stockton for the details and implement the requirements as another tool for Code Enforcement, which would ultimately pay for itself in re-inspection fees and fines. The neighbors, with the help of Congressman Pombo and Senator Boxer, are soliciting federal money to improve the East heritage district, in addition to researching the Patriot Act, which is specifically targeted at gang activity and terrorism. The neighbors hope to involve local churches, Parks and Recreation, the Boy Scouts of America, and other citizens to have painting parties, landscaping activities, and job placement for gang members and the underprivileged. He encouraged citizens to contact locustblockproject@yahoo.com or visit www.seelodi.com to share stories of how residents' lives have been affected by the conditions on these neglected side streets.

G. COMMENTS BY CITY COUNCIL MEMBERS ON NON-AGENDA ITEMS

- Mayor Pro Tempore Johnson shared his concern that Mr. Neilson and the neighbors may be under the impression that the City is capable of taking over these properties and he urged staff to be clear with the neighbors on what it can and cannot do. The City is not in the business of managing properties and it does not have the money to take this on. Further, Mr. Johnson requested that the issue of Shirtsleeve Sessions be scheduled for a regular meeting to determine what can and cannot be discussed at those meetings.
- Council Member Hansen reported that he attended a follow-up meeting with the Wall Dogs committee and an issue was raised about a potential mural to be painted by local artists. He suggested that the Council consider adopting guidelines on how many murals there should be, potential locations, and parameters in order to maintain the quality. Further, Mr. Hansen reported that he would be attending a Northern California Power Agency meeting in Roseville, at which the members will be discussing and voting to consider the California Municipal Utilities Association greenhouse gas principles. This is an emerging issue dealing with global warming, and discussion will center on whether municipal utilities will support standardized mandatory greenhouse gas reporting from all significant sources. Lodi is much more dependent on base load capacity, and its current energy resources are hydro, geothermal, gas turbines, and its agreement with Seattle City Light. Depending on what direction this goes, it could affect Lodi's ability to control its costs.
- Council Member Mounce recognized Mr. Neilson for his efforts and stated that she believed he was aware of the City's position that it is not in the business of property management. She further made a third request that the issue of catering trucks and the related land use issues be scheduled for a Shirtsleeve Session. Ms. Mounce invited the community to the fourth annual patriotic picnic on Sunday, August 20 from 4 to 7 p.m. at the Chatfield Range in Clements. Anyone interested in tickets was encouraged to contact Ms. Mounce at 747-0381.

Mayor Hitchcock reported that the issue regarding catering trucks will be forthcoming and will be included with the zoning ordinance discussion.

- Council Member Beckman expressed support for scheduling a meeting to discuss the structure of Shirtsleeve Sessions.
- Mayor Hitchcock agreed that a determination needs to be made on the purpose of Shirtsleeve Sessions and stated that, if Council decisions will be made, they should be conducted at a time when the public can attend or view them on television. She congratulated the Lodi Police Department for assisting a motorist whose vehicle had stalled on Ham Lane, which was going above and beyond the call of duty. In regard to the water rate reduction initiative, ballot arguments have been submitted, and she publicly announced that she was opposed to the initiative. She respected the public's right to circulate a petition, but the City is faced with a \$45 million bill to clean up the water, which is vital to protect the drinking water for future generations. The state has mandated the clean up, and if the City does not rectify the situation, it will be faced with higher fees and fines. The City held numerous public hearing on how to pay for this, and many people, at the conclusion of the hearings, admitted they did not want the rate increase but recognized that there were no other options for raising the funds.

The rate increases will provide the \$45 million needed to clean up the water, and it appeared to be the least painful method. The expectation was to collect more from the responsible parties; however, many of the property owners had purchased the land long after those who polluted it had moved out. She encouraged the public to vote no on Measure H.

H. COMMENTS BY THE CITY MANAGER ON NON-AGENDA ITEMS

None.

I. PUBLIC HEARINGS

- I-1 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Hitchcock called for the public hearing to consider resolutions adopting Final Engineer's Annual Levy Report for Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1, Fiscal Year 2006-07, and ordering the levy and collection of assessments.

Wally Sandelin, City Engineer, reported that, following the public hearing, it was recommended that Council adopt a resolution approving the final annual Engineer's Report and a resolution ordering and levying the collection of the assessments. Over the past several years, Council has enacted resolutions that created 12 zones in the landscape maintenance assessment district. The activities funded by the district include landscape and irrigation, maintenance, masonry block walls, street and parkway trees, and public park areas. The activities and the levies vary by zone and were presented in the final annual Engineer's Report (filed).

Council Member Hansen questioned if the City has received any comments from the property owners and if they have an opportunity to vote on whether or not the assessment continues now that the developer does not control the property.

Mr. Sandelin responded that the action by Council established both the activities of the district and a maximum levy that could be assessed against each individual parcel. There is a built-in factor that increases it, which is either the Consumer Price Index (CPI) or 5% annually, whichever is greater. After the district is formed, the property owners do not have a say in whether or not the assessment can be levied. In the three years since the property owners have been paying individual assessments, he has received a total of three inquiries, and once it was explained, most recalled that it was disclosed in the sale documentation.

Council Member Hansen questioned what course of action a property owner has if they are unhappy with the services for which they are paying, to which Mr. Sandelin replied that they could complain to the City Council or they could band together and attempt to overturn the district; however, former City Attorney Randy Hays had determined that legally there was no way to reverse the district.

City Attorney Schwabauer stated that there is most likely a method for reversing the district; however, there would be repercussions. The obligation to maintain the service would continue to exist, but it would have to be done another way.

Mayor Hitchcock questioned what the residents could do if they were dissatisfied with the service being delivered.

City Manager King stated that the City is operating under the Lighting and Landscaping District (LLD) Act of 1972, which is a benefit assessment district. The purpose of the Engineer's Report is to establish a nexus between the amount paid and the benefit received, and the property owners who pay have the right to see how much money is to be spent upon the improvements. On an annual basis, the City conducts a hearing to allow the public to comment on the issue. The establishment of an LLD is a condition of approval

for the subdivision map; if the LLD should cease, the subdivision would be in violation of the conditions of approval. The Parks and Recreation Department is primarily responsible for maintenance of the parkway strips and it must account for the time and money spent in order to verify that it is consistent with the Engineer's Report. Residents in the LLD pay a premium for the maintenance and receive a higher level of service.

Council Member Hansen agreed that these property owners pay a premium and he wanted to be assured that the City is meeting its obligation and that the property owners understand that now would be the time to report any problems or concerns. Mr. Sandelin stated that the properties in the LLD have weekly service; whereas, to meet budget restrictions, the landscape maintenance in other areas is every other week.

Public Works Director Prima clarified that property owners would have a vote if the City elected to increase the assessments above the indexed amount. If the property owners voted against the increase, the amount would remain the same and the City would perform the level of maintenance it could afford.

Council Member Beckman believed that the property owners could, if they got together, undo the district and he requested that the City Attorney research this matter.

MOTION:

Council Member Beckman made a motion, Mounce second, to adopt the following resolutions:

- Resolution No. 2006-123 approving the Final Engineer's Annual Levy Report for the Lodi Consolidated Landscape Maintenance District No. 2003-1, Fiscal Year 2006-07; and
- Resolution No. 2006-124 ordering the levy and collection of assessments within the Lodi Consolidated Landscape Maintenance District No. 2003-1, Fiscal Year 2006-07.

Hearing Opened to the Public

None.

Public Portion of Hearing Closed

VOTE:

The above motion carried by a unanimous vote.

- I-2 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Hitchcock called for the public hearing to consider the appeal from Mohammad Dawood Khan and Rehana Khan regarding the requirements of a Notice and Order to Repair dated April 19, 2006, for the property located at 505 E. Pine Street (APN 043-170-03).

MOTION / VOTE:

This appeal was withdrawn by the appellants; no Council action was taken on this matter.

J. COMMUNICATIONS

- J-1 Claims filed against the City of Lodi – None

- J-2 The following postings/appointments were made:

- a) The City Council, on motion of Council Member Mounce, Beckman second, unanimously directed the City Clerk to post for the following vacancies:

Greater Lodi Area Youth Commission

Ali Asghar Term to expire May 31, 2007

Andrew Slater Term to expire May 31, 2007

J-3 Miscellaneous

- a) Interim City Clerk Perrin presented the cumulative Monthly Protocol Account Report through May 31, 2006.

K. REGULAR CALENDAR

K-1 "Introduce ordinance enacting the Fire and Facilities Sales Tax initiative"

City Attorney Schwabauer reported that the City Council previously acted to place this matter on the November 7, 2006, General Municipal Election ballot. The issue now before Council is whether or not it will adopt the subject ordinance before it goes onto the ballot; however, it would not become effective unless it is passed at the election. The City is not required to pass the ordinance, but not doing so puts the City at severe risk. The California State Board of Equalization (BOE), which collects both the Bradley-Burns and the transactions and use tax, has opined that the only way to pass a special tax is for the legislature to first pass it by a two-thirds vote and to secondly place it on a ballot for citizen approval. The BOE has stated that, if the approved method is not followed, it will find the City in violation of its tax agreement and will discontinue collecting the existing sales tax and cede it to the county. The City presently collects \$10.4 million in sales tax. If the Council chooses not to pass the ordinance, the City would be forced to sue the BOE when it refuses to collect this tax, if passed at the election, as well as the existing sales tax. The only option is to adopt the ordinance in order to protect the existing sales tax. The voters would then have the final decision as to whether or not the tax becomes effective. Mr. Schwabauer stated that, in the Council's packet, was a copy of the BOE's opinion on this issue (filed).

Council Member Beckman expressed his resentment at being forced to adopt something against which he will be voting at the election. He stated that he would be abstaining from the motion without having a conflict, for which his vote would be counted as an affirmative.

Council Member Hansen shared Mr. Beckman's frustration at being forced to approve this ordinance; however, he stated the risk was too high and that he would be voting in favor of the ordinance.

Council Member Mounce stated that she believed Measure G would be good for the citizens of Lodi and that she would be supporting the measure.

MOTION:

Council Member Mounce made a motion, Hitchcock second, to introduce Ordinance No. 1780 imposing a transactions and use tax to be administered by the State Board of Equalization and adding Chapter 3.09 to the Lodi Municipal Code to be effective April 1, 2007, if approved by the voters at the November 7, 2006, General Municipal Election.

PUBLIC COMMENTS:

- Ann Cerney questioned when the ordinance would go into effect, to which Mr. Schwabauer responded that it would become effective in July 2007, if it is passed by a two-thirds vote in the November election.

DISCUSSION:

Mayor Hitchcock clarified that the City Council is not voting for or against the Fire and Facilities Sales Tax initiative; it is only voting to introduce the ordinance as required by the BOE.

VOTE:

The above motion carried by a unanimous vote.

NOTE: Council Member Beckman abstained from voting on this matter without stating a reason, and in accordance with Lodi Municipal Code Section 2.04.140, his silence was recorded as an affirmative vote.

RECESS

At 8:35 p.m., Mayor Hitchcock called for a recess, and the City Council meeting reconvened at 8:46 p.m.

K. REGULAR CALENDAR (Continued)

- K-2 "Adopt resolution implementing the treatment and direct utilization of the surface water supply from the Woodbridge Irrigation District contractual allotment and authorizing solicitation of proposals for technical studies of implementing this option"

Public Works Director Prima reported that the staff recommendation is to proceed with action to directly use water in a treat and drink mode and he provided a summary for the reasons for this recommendation:

- Supply diversification
- Sustainable practice
- Improvement in wastewater quality
- Recommended by experts involved in this field
- It is the best option from a legal standpoint

An opportunity arose for a site at Micke Grove for recharge that could be obtained at a low cost. To collect the water for recharge and pump it back into the system, the City would need to build a transmission main of three miles of pipe in the public streets. In addition, approximately five wells would be required to recover the water, and this well field would be located in north Stockton. This project is currently on hold due to the fact that the leaseholder of the property has determined not to proceed with the testing in order to plant his grapes; therefore, there is no further test data than what was available eight weeks ago. Staff discovered that there was one test well in the area that uncovered high levels of nitrates, dissolved solids, and bacteria. The area is also impacted by dibromochloropropane, and the wells at Micke Grove have treatment units. The water quality in the Lodi area is generally better than the groundwater in the surrounding area. Staff is concerned that, if the City moved outward to areas that have higher levels of total dissolved solids in the groundwater, the City's levels would increase as well.

In the absence of having an individual site to study, some basic assumptions were made on land costs. Mr. Prima provided a range of figures from as low as \$30,000 per acre to as high as \$300,000 per acre. For a potential 88-acre basin, the total cost to purchase land could range from \$2.6 million to \$26 million. To lease land, staff estimated a low cost of \$200 per acre per year to a high cost of \$750 per acre per year, which would equate to a total cost range of \$1.6 million to \$3.5 million for a 40-year lease. It was noted that there may be additional costs associated with a lease to compensate the land owner for improvements made the property (i.e. clearing property, removing improvements, etc.). One area of concern with a lease agreement is the potential to have an unwilling property owner and how the City might respond in such a case.

There are a number of alternatives along the west side for a water treatment plant for a direct use alternative that would be on adjacent land to the City or along properties that the City owns. Each alternative has positives and negatives and would need to be studied further to determine a final cost estimate. At this point, without having a final design, site, or associated environmental reports, it is difficult to provide a total cost estimate for the project; however, staff estimates the cost to be \$30 million based on visits to other plants.

Many communities are changing to a combined groundwater and surface water system. The ability to use surface water during wet years and groundwater in dry years is now a standard in the industry and was recently recommended in the State of California's Water Plan Update. Staff strongly supports the option of a direct use treat and drink method.

Mr. Prima reported that the Council received a letter from Mark Madison with the City of Stockton Municipal Utilities (filed), in which he shared information regarding Stockton's decision to move forward with a surface water plant and the advantages of having control over its own project.

Anders Christensen, Manager of the Woodbridge Irrigation District (WID), reported that the WID board of directors supports the City Council moving forward with the treat and drink option. The 10 million gallon per day treatment plant represents the highest and best use of water. The water that was contracted under the 2003 water agreement between WID and the City of Lodi comes from pre-1914 water rights, which have the highest rights in the State of California and are subject to special protections from state legislative control. He reported that the WID passed a resolution of authorization to enter into negotiations with the City of Lodi to extend the current 40-year agreement to September 30, 2047. There is a provision to renew the agreement, and he believed that the WID would extend it given the past history of the district. The WID board took this action because it wanted Lodi to succeed in implementing a treat and drink option strategy that would increase the total drinking water supply to the City of Lodi. Under the treat and drink option, 100% of the water delivered to the City of Lodi would be used; none would be lost to migration, evaporation, or recharge within the system. If Lodi were to consider other water supply options, it would need to increase the groundwater recharge option by 30% to obtain the same result. The sound investment would be to construct the proposed 10 million gallon per day treatment plant as a long-term benefit to the citizens. Cost should not be the sole determinant. He stated that the percolation site at Micke Grove could not be tested because the storm water on which the site was located would not percolate through the soil. Mr. Christensen announced that the WID is near completion on its \$15 million dam and fish ladders project and is beginning the final design of a \$3 million fish screen project to be constructed this fall. These projects will help to enhance the future water rights of WID and its partners, including the City of Lodi.

In response to Mayor Hitchcock, Mr. Christensen stated that the WID board has taken action authorizing the amendment of the language in the 2003 water agreement. Once the final language has been reviewed by staff, it will be brought before Council for action, after which it would be returned to the WID board for approval.

Mayor Hitchcock questioned if the costs were figured into the agreement and expressed concern that the City would be making a \$30 million investment and 40 years later could be held hostage by the costs. Mr. Christensen responded that the terms of the 44-year agreement were clearly spelled out and included the costs.

In response to Council Member Hansen, Mr. Christensen stated that the City of Lodi would have first right of refusal during the agreement period and would have a strong legal standing to renew the agreement based on its investment in the system. The four-year extension is in both time and water and would continue under the same terms. The water banked is water that has been pre-paid, and the City would get it all back when it begins to take the water.

Council Member Beckman stated that the City pays for 6,000 acre feet of water per year, which would equal 240,000 acre feet at the conclusion of the 40-year agreement, and he questioned if the City was guaranteed to receive that amount of water from WID.

Mr. Christensen stated that the City would receive all of the water it is entitled to and has paid for under this agreement. The 6,000 acre feet per year over 40 years would be 240,000

acre feet, and the extension of the agreement would expand it by 24,000 acre feet of water per year; therefore, the City would receive 264,000 acre feet during the 44-year period.

Council Member Beckman was under the impression that the City was not entitled to a full 6,000 acre feet each year, that it was dependent upon wet and dry years, and that there was no guarantee the City would recoup the entire allotment if it were shorted in a dry year.

Mr. Christensen confirmed that, under the provisions of the contract, water not taken in one year could be made up in another year.

Council Member Beckman questioned if WID would consider making the 6,000 acre feet a permanent entitlement or water right to the City of Lodi, particularly if Lodi invests in a water treatment plant, to which Mr. Christensen replied that the agreement states the amount of water it can put forth and that WID cannot issue water rights.

Dr. Mel Lytle with the San Joaquin County Water Resources Division provided a perspective on how Lodi and the new treatment plant would fit into the county. As a result of the lack of surface water in the county and the over reliance on groundwater, the basin in the eastern part of the county is critically over drafted. There is also saline intrusion moving in from the western part of the Delta. The most recent groundwater modeling, going out to the year 2030, illustrates that the situation will continue to worsen if nothing is done. Because of this, agencies in the county, the water districts, and cities have coalesced into a more consensus-based organization to resolve some of these issues. One of these organizations is the Northeastern San Joaquin County Groundwater Banking Authority (GBA), which is comprised of 11 member agencies, including the City of Lodi, and is devoted to meeting the water supply challenges facing the county. In its groundwater management plan for the eastern basin, it recognized one of the best uses for water was utilizing it when it was available and storing or using it directly during dry years. It is very beneficial when agencies and cities work together to meet their needs locally, and he supported the agreement between Lodi and WID. Using surface water for the treat and drink scenario is a sound idea, and Dr. Lytle pointed to a number of local projects as positive examples. The ability to use pre-1914 water rights is a rare opportunity and gives Lodi an opportunity to improve water quality by using the surface water supply, as well as to improve wastewater quality. This option is also in line with greater regional objectives in improved groundwater basin management, which will become a critical issue over time. Without it, the basin will continue to decline and saline intrusion will be required. Modeling shows that additional flows will change in Lodi and will come from a more westerly direction, which would cause greater water contamination problems.

Mayor Pro Tempore Johnson questioned if Dr. Lytle would be in favor of a joint venture between the city of Stockton and the City of Lodi, to which Dr. Lytle responded he was not proposing that; however, he believed that both municipalities were on a course to develop water treatment plants that would give each ownership, flexibility, and control over their water supplies and he supported integration among agencies.

Stan Ferraro, representing California Water Service Company, who also serves as a board member on the GBA, reported on the experiences his company has had regarding groundwater and surface water supply. The California Water Service Company serves 500,000 customers throughout the state, including the cities of Bakersfield and Stockton, and has partnered with Stockton on its Delta water supply project. He shared that Bakersfield was faced with a similar decision ten years ago on whether or not to rely on groundwater supplies to be the primary source. The community also had contamination issues from both naturally and non-naturally occurring contamination. The decision was made to use surface water supply and to treat and provide it directly to the customers. A treatment plant was completed three years ago, which was twice the size of Lodi's proposed plant, and the cost for the project, including infrastructure, extension of

transmission facilities, and intake structures, was in the \$50 million to \$55 million range. He believed that the \$30 million estimate for Lodi's plant was a reasonable cost figure. He cautioned that, if more surface water is put into the ground, it will become susceptible to the same problems as the present groundwater supply (i.e. contamination); therefore, it is advisable to use the high quality surface water from WID, treat it, and use it directly.

Dan O'Hanlon, attorney with Kronick Moskowitz Tiedemann & Girard, presented potential legal implications on the alternative uses of the water and the implication of how the City deals with the water once it is acquired from WID. The law allows direct use of water for beneficial use or storing it in the aquifer through recharge for later consumption for the same beneficial use. He opined that the direct use approach (i.e. treating it and using it directly) is the most protective of the City's right to use the water. The essential difference in the legal implications of the two approaches arises from what happens with the water under each approach. Direct use diverts the water from the WID facility, runs it through the plant, and uses it directly, over which the City maintains control. With recharge, the water is stored in the aquifer that is used in common with many other users. The aquifer in this region is in over draft, which means that more water is being pumped out than is being put back in. It is not a basin that has been adjudicated where the rights to use the aquifer have been determined by a court with rules as to who can pump how much; therefore, any one who has a right to pump from the aquifer can do so. In the direct use option, municipal use is determined as a beneficial use of water, and the City would use its full 6,000 acre feet with no loss factor to the City. Under California water law, the City would not lose its full rights to the existing level of groundwater use if it were to switch to surface supply. The reason the legislature adopted this law was to encourage parties, which were using groundwater, to diversify their source and use surface supply without fear that they would lose their rights to the groundwater. The City would have a right to claim the amount that was added to the aquifer; however, there are a number of complications in that others are free to pump from the aquifer without limitation based on their rights to pump groundwater, in addition to the loss of water due to recharge. This opens the door to disputes on rights and how much is lost to recharge. Sorting out the rights would be done in groundwater adjudication; however, it is time consuming, complex, expensive, and the outcome is uncertain. In addition, there are also implications related to water supply planning. As a result of recent legislation and case law, there are increasing demands on water providers and land use planning agencies to show that there will be water to supply the future needs of the City and future development. By diversifying the supply and using both groundwater and surface supply, the City would improve its water supply reliability and provide a sounder basis for the required water supply planning. Mr. O'Hanlon concluded that, from a water rights perspective, the direct use best protects the City's rights to use the water that is purchased from WID and meets its other obligations.

Council Member Hansen stated that riparian rights arise out of ownership of land that abuts a stream, lake, or pond and he questioned if the City had such a right, to which Mr. O'Hanlon responded that the City's use of water from groundwater wells for municipal uses is defined by the courts as being an appropriative right. Owners of land that abut a stream or lake would have rights to use that water for their purposes.

In response to Council Member Hansen regarding the aquifer, Mr. O'Hanlon stated that there is much uncertainty regarding what one's rights are to the water in the aquifer. The City would be in competition with many other users of the aquifer, and there would be rules for priority in determining the rights of each user. The advantage of using the water directly is that the City receives the full benefit.

Mr. Hansen questioned if selling off some of the water in the future would jeopardize the City's legal standing, to which Mr. O'Hanlon responded that the law allows for transfers of water, which are subject to a number of contingencies. Water transfers are increasingly

common in California, can be temporary, and can be done in such a way that would allow the City to later claim the water when it is needed.

Council Member Beckman stated that the City has been an appropriative user for a long time and questioned what kind of rights that provides the City. Additionally, he questioned if the City, as a municipal user, were to compete with an agricultural user, which one would the courts consider a higher end best use.

Mr. O'Hanlon stated that the City would have senior rights over another user that made a later use of the water. The water code states that domestic use is the highest use, with irrigation being second. Once rights are established, the priority system takes hold; although, it is subject to change over time depending on average use and other factors.

Mr. Beckman stated that, as a domestic user, the City of Lodi would have good standing to maintain and hold onto what it has been doing in the past, to which Mr. O'Hanlon pointed out that the demand exceeds the available supply of water in the basin. If there were adjudication, there would be an allocation of shortages, and the City would not be guaranteed that it could continue to use all that it had in the past. Mr. Beckman added that the basin has been over draft for 80 years.

In response to Mayor Hitchcock, Mr. O'Hanlon explained that some rights, such as riparian rights, are tied to the land; however, appropriative use is not.

Mr. Prima stated that there are a number of studies that would need to be completed before embarking on the treat and drink option in its final form: evaluation of the processes, pilot study on the water for best treatment method, determination of costs and financing plan, site assessments, and environmental reports and other regulatory actions. Staff will include in its assessment the possibility of collaborating with other agencies. He requested that Council authorize staff to proceed with the necessary studies, after which staff would return to Council with the specific costs and related information. Design and construction would potentially be a four-year process.

There is the potential of doing recharge on storm water, rather than discharging it and giving it back to WID, and the potential exists in working with the North San Joaquin Water Conservation District (NSJWCD) to accomplish that. The NSJWCD has also offered to provide water in wet years that the City could treat and drink, and staff will be evaluating that option.

In response to Mayor Hitchcock regarding the downside of a treat and drink option, Mr. Prima stated that there would most likely be a change in the taste of the water. As part of the pilot study, tests will be conducted to ensure there are no interactions between the groundwater and surface water, because the two will be blended. There will be chlorine residual in the system; although, it may not be necessary to disinfect the entire supply with chlorine. Staff intends to study in more detail the potential use of UV or other treatments to disinfect the water, allowing just enough use of chlorine to satisfy the state requirements. In regard to the costs being absorbed by new development, this would cost more in the long run than staying with groundwater. The issue of the long-term potential for groundwater contamination and the need for additional treatment units on the wells has not been addressed as those costs are speculative at this time.

Mayor Hitchcock questioned if there would be a rate increase to pay for the plant, to which Mr. Prima responded that there would be a financing mechanism to get the capital needed to build the facility, which would be paid back through connection fees. With adoption of the plan, staff would return to Council with the next fee update to increase the connection fees to the new users in order to begin building up the cash. The financing plan would indicate whether the rate structure and the anticipation of development could support the necessary financing. There is the potential for rate increases to deal with the operating and

maintenance costs, but he did not anticipate that happening for at least two to four years, other than impact fees. No money would be used from the PCE/TCE clean up fund, and impact fees would be used to pay for the studies as those funds are available to address new growth.

In response to Council Member Beckman, Mr. Prima stated that four years is the timeframe to do the necessary studies, design the project, and build it, which would also be the timeframe that any rate adjustments would be implemented. He suggested that any rate increase be phased in and he assured Council that staff would routinely report on the project in total, including the potential for a rate increase. He added that there is concern that the Environmental Protection Agency will implement new regulations in the near future that would require groundwater to be chlorinated.

In response to Council Member Hansen regarding buying land versus leasing, Mr. Prima stated that owning the land would give the City an asset until it was sold, at which time it would either recoup its cost or make a profit.

Mr. King stated that there would be a large front-end cost and it would most likely be a land based assessment against new development. He added that the City has explored the option of selling off some of the WID water that the City is not using; however, it was unsuccessful in securing interest from a purchaser.

Council Member Beckman believed that it would be a misuse of public funds to purchase land for a water treatment plant when the agreement with WID is for only 40 years with no guarantee that it would be extended. He also did not agree with building a water treatment plant on leased land. With the City's current financial condition, cost needs to be one of the main concerns in the decision factor.

Council Member Mounce questioned how the City's present financial condition would affect the rate it would receive on a Certificate of Participation, to which Mr. Prima responded that the details on the financing have not been analyzed at this point.

PUBLIC COMMENTS:

- Chuck Easterling questioned if WID has a guaranteed flow and some type of water right on the Mokelumne River since Camanche Reservoir and Pardee are controlled and owned by East Bay Municipal Utility District (EBMUD). He further questioned if the City could have filed for riparian rights in 1906 when it was incorporated and whether or not it currently has rights to the river.

Mr. Prima responded that WID's rights on the river pre-date EBMUD's rights, which did not get onto the river until the 1920s. The water rights and subsequent appropriations have been embodied into a series of agreements between WID and EBMUD, which have been incorporated into the City's agreement. In dry years, the City may be cut back in its water allotment; however, it is put back into the bank and utilized in a later year. Riparian rights only apply to land that is adjacent to the river, and the City, with the exception of Lodi Lake, does not own land on the river; therefore, it does not have the ability to claim a riparian right.

City Attorney Schwabauer pointed out that riparian rights are for use on the riparian property; not for export to other properties (i.e. the City could only use it for irrigation needs on the Scenic Overlook or the park, but not for the City's municipal needs).

In response to Mayor Pro Tempore Johnson, Mr. Christensen stated that the WID has been cut back only twice.

- Dennis Alexander stated that a number of chemicals have been applied in the vineyards on the Micke Grove property and other vineyards up to the Camanche, which runs the risk of contaminating the aquifer. He provided information to the Council regarding a \$100 million water bond issue in Placer County (filed) and suggested that staff contact Jenine Windeshausen, Placer County treasurer, to obtain information on this financing option. He further suggested privatizing the operation by selling limited partnerships at a fair returned interest and having development pick up costs. After 10 to 15 years, the cost of the plant would be built by private individuals in less time and cost.
- Kevin Gaither stated that this is a public safety issue and that, over cost and taste, the City's primary obligation is to provide the safest water for this community that it can. Treated water is safer than contaminated groundwater. He suggested the Council take the advice from the experts who spoke this evening and support the treat and drink option.
- Ann Cerney, speaking on behalf of the Citizens for Open Government, stated that adequate time should be allowed for the NSJWCD to complete its groundwater study before the City expends funds for a treatment plant. The property tax payers in the NSJWCD have assessed themselves and want the study to be done. The City at this time has bankable rights and there would be no detriment to waiting.

Speaking on her own behalf as a City resident, Ms. Cerney stated that she endorsed the concept of applying the 6,000 acre feet of water from WID to recharge the water basin either directly or indirectly; however, any expenditure going forward at this time to facilitate the construction of a water treatment plant is premature. She believed that there was not enough available water to sustain the proposed developments, which would result in an additional 3,414 residential units and an additional 16,070 acre feet of water needed to meet the demand. She encouraged Council to slow down the rapid movement of this project and allow time for citizen input and participation.

Mayor Hitchcock stated that for years the City advocated groundwater recharge and it purchased the WID water with that in mind, yet suddenly the direction has changed to the treatment facility. She questioned if this change resulted from the state's requirement to have sufficient water for growth and development.

Mr. Prima stated that changes in state law over the last few years have attempted to link water and development. In 2003 when Council approved the agreement with WID, this law was in place; however, there were no large developments planned at that time, which would trigger the requirement for a water supply assessment. The General Plan states that the City will continue to pump groundwater and will work with other agencies to get more water in the county. The WID agreement provided a window of opportunity for a long-term deal. At that time, he had suggested injecting the water into the ground. Staff studied the options of treatment plant, injection, and surface recharge, and it became clear that the injection method was as expensive as building a treatment plant. Additionally, it did not make sense to treat the water to drinking water standards, inject it into the ground, and then pump it back out. There is an opportunity with these large-scale developments to finance this capital project, and if this decision is delayed 10 to 20 years, the City may not have the same chance and may be forced to mitigate excessive groundwater use.

Mayor Hitchcock questioned if groundwater recharge would accommodate the growth, to which Mr. Prima stated that there are uncertainties in using a basin that is over drafted, particularly if the City is relying on a source that it has already admitted is inadequate. Mr. Prima presented a slide (filed) demonstrating the estimated shortage of water in comparison to the City's growth going out to the year 2030.

- Dennis Alexander stated that in 44 years the City of Lodi would have spent \$54 million for water that it is not going to use.

Council Member Hansen stated that he supported the treat and drink option because the City is paying \$1.2 million a year for the water and he wants to ensure that every drop of it goes to the citizens of Lodi.

MOTION #1:

Council Member Hansen made a motion, Johnson second, to adopt a resolution implementing the treatment and direct utilization of the surface water supply from the Woodbridge Irrigation District contractual allotment and authorizing solicitation of proposals for technical studies of implementing this option.

DISCUSSION:

Mayor Hitchcock stated that her decision comes down to cost and she expressed concern that, due to the City's current financial position, it would fall onto the ratepayers. She was in favor of pursuing a lease for a groundwater recharge project.

Council Member Beckman stated that cost is incredibly important and he would not support a water treatment plant. When the WID water agreement came before Council, he reluctantly voted in favor of it, but only because it would go toward recharge. Had he known the City would not be recharging the water and that it would instead build a water treatment plant on a 40-year agreement in addition to paying \$200 an acre foot for water, he would not have supported the agreement.

Council Member Mounce stated that she supported the treat and drink option; however, she expressed concern about funding this from the water fund, particularly with the water rate reduction initiative on the November ballot, and she could not support this until the outcome of Measure H is known.

VOTE:

The above motion **failed** by the following vote:

Ayes: Council Members – Hansen and Johnson

Noes: Council Members – Beckman, Mounce, and Mayor Hitchcock

Absent: Council Members – None

MOTION #2 / VOTE:

Council Member Hitchcock made a motion, Beckman second, to implement utilization of the surface water supply from the Woodbridge Irrigation District contractual allotment for groundwater recharge. The motion **failed** by the following vote:

Ayes: Council Members – Beckman and Mayor Hitchcock

Noes: Council Members – Hansen, Johnson, and Mounce

Absent: Council Members – None

MOTION #3:

Council Member Beckman made a motion, Hitchcock second, to direct staff to study groundwater recharge proposals and return to Council with direction and/or information to pursue recharge.

DISCUSSION:

Council Member Hansen stated that he would be voting against the motion. He agreed with Council Member Mounce's comment that Council wait until the outcome of the water rate reduction initiative on the November ballot.

Mayor Pro Tempore Johnson suggested that Council put a definitive timeline on this to ensure it comes back to Council as the City is wasting an asset by not utilizing the \$1.2 million of water each year.

VOTE:

The above motion **failed** by the following vote:

Ayes: Council Members – Beckman and Mayor Hitchcock

Noes: Council Members – Hansen, Johnson, and Mounce

Absent: Council Members – None

City Manager King made the following suggestions, which would gather further information for both the recharge and treat and drink options:

- Staff begin the process of identifying sites that would accommodate recharge;
- Proceed in developing whether it is a treat and drink or recharge method;
- Prepare a model of financing that would show how the City would pay for recharge and recovery of water, as well as a treatment facility; and
- Schedule this matter to come back before Council following the November election.

Mayor Pro Tempore Johnson added that he would like staff to pursue the possibility of a joint venture that could help with the costs.

Mayor Hitchcock stated that she was not interested in a joint project; however, she expressed support for receiving the financing information.

VOTE TO CONTINUE WITH THE REMAINDER OF THE MEETING

Council Member Beckman made a motion, Hansen second, to continue with the remainder of the meeting following the 11:00 p.m. hour. The motion **failed** by the following vote (2/3 vote required):

Ayes: Council Members – Beckman, Hansen, and Mayor Hitchcock

Noes: Council Members – Johnson and Mounce

Absent: Council Members – None

K. REGULAR CALENDAR (Continued)

K-3 “Adopt resolutions approving the 2006-07 Financial Plan and Budget and the 2006-07 Appropriations Spending Limit” was **pulled from the agenda pursuant to the above vote.**

K-4 “Adopt resolution affirming July 1 opening and October 1 closing date for filing applications for residential allocations under the Lodi Growth Management Ordinance” was **pulled from the agenda pursuant to the above vote.**

K-5 “Approve expenses incurred by outside counsel/consultants relative to the Environmental Abatement Program litigation and various other cases being handled by outside counsel (\$15,561.48)” was **pulled from the agenda pursuant to the above vote.**

L. ORDINANCES

None.

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 11:32 p.m. in memory of Javed Khan, who was a vibrant and active young man who attended Lodi community schools and was a long-time member of the Lodi Boys and Girls Club.

ATTEST:

Jennifer M. Perrin, Interim City Clerk

CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JULY 18, 2006

EXHIBIT B

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, July 18, 2006, commencing at 7:01 a.m.

A. ROLL CALL

Present: Council Members – Beckman, Hansen, Johnson, Mounce, and Mayor Hitchcock

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and Interim City Clerk Perrin

B. TOPIC(S)

B-1 "Community Development Block Grant Economic Development Program"

Joseph Wood, Community Improvement Manager, presented the draft guidelines, loan application, and the roles and responsibilities for the revolving loan fund (RLF) program (filed), the purpose for which is to create employment for the targeted income group and benefit the general community of Lodi. No limitations were recommended on the types of businesses to be served—it is open to any form of business—and no specific geographic priorities were established—it is open citywide. The guidelines establish a priority in the application process for those businesses that would improve the tax base either through sales tax or transient occupancy tax. Under eligible use of loan funds, acceptable uses would be for land costs, infrastructure, building costs, and new equipment; however, capital costs would not. Currently, there is \$150,000 allocated toward the RLF, and the size of the loan amount will be evaluated on a case-by-case basis. Alternatively, instead of a limit on the loan amount, a target of two loans per year could be established. The RLF, over time, will replenish itself and will increase the City's capacity.

Mr. King added that he believed very few people would use loan funds for building costs, as it would trigger federal prevailing wage requirements. Most will use the loan funds for equipment, fixtures, or furnishings.

In response to Council Member Hansen, Mr. King defined working capital as the cash needed to operate, for which there are security and collateral requirements.

In response to Council Member Hansen, Mr. Wood confirmed that the program includes a great deal of monitoring to ensure the money is spent appropriately.

Mr. King stated that the Council would be requested to endorse the program criteria and an outside third party would review the business pro forma and evaluate the loan. The business pro forma would include information pertaining to the costs for fixtures, furnishings, and professional services, the proposed return, and how much personal and borrowed money was invested.

Mr. Wood reported that the term of the loan would be three to seven years. The job creation ratio is one job for every \$35,000 lent, which is the minimum established by federal guidelines and is intended to create jobs within the targeted income group. The collateral requirements are pre-fixed at one to one (or 100%) collateral for the project costs. Staff is still reviewing the process as to who is responsible for the various functions of program operation administration. The loan review process would have two phases: the initial review would be performed by City staff as to whether or not it met the established guidelines and the second review would be done by a loan review committee. Following the two reviews, the final approval would be by the City Manager. Regardless of the payment options

(deferral or annual payments), on-going maintenance would be done throughout the year in order to avoid issues before they develop.

In response to Mayor Pro Tempore Johnson, Mr. Wood stated that the City would either establish a review committee or utilize an existing program to perform the monitoring.

Council Member Hansen questioned what would happen with the collateral if a business were to fail and what the success rate is in this program.

Paula Connors with the Economic Development Advisory Loan Committee for the State of California Community Development Block Grant (CDBG) program stated that the City would not own the collateral; however, if the applicant failed to make the payments, the collateral would come to the program and the City would liquidate it. Due to depreciation, the City would not receive 100% on the dollar. Loans should be given to businesses that have a strong, stable history and that have been in business for at least three to five years. The financial review would take into account income, performance, revenues, and ability to make payments and would be documented by financial statements and tax returns. Making the loan is the easy part; the difficult part is the monitoring and servicing, making sure the collateral is there, and ensuring the job requirement is still being met. She suggested contracting with an agency, such as a bank, to perform the loan monitoring services. Ms. Connors estimated a 10% failure rate.

Mr. King stated that the RLF could be used to achieve a particular goal for the community, such as offering a specific type of restaurant or a hotel that would stimulate the tax growth. Loan proceeds can also be used to pay for impact fees. Even if a business were to fail, the specific goal might still be achieved if a new owner continued the business.

In response to Mayor Pro Tempore Johnson, Mr. King stated that the Council would approve the program criteria (i.e. types of loans, terms, etc.). An outside third party would review the loans, and Council would receive regular reports on the status of the loans and the success and failure rate. The City Council would have the ability to change on a forward basis the loan criteria and the job creation ratio.

In response to Mayor Hitchcock, Mr. King stated that, in order to avoid the appearance of favoritism, the Council is removed from the loan review process and an outside review committee would protect the integrity of the process. In addition, the loan application requires certain information be provided that a business would not want its competitors to see, and this information would be subject to a public records request, which would discourage many people from applying.

City consultant, Carleen Bedwell, Managing Principal with Applied Development Economics, reported that the detailed loan information is provided to the program operator, which is then summarized and provided to the loan committee. The information remains confidential and is not a part of the public process. The results are then summarized in a credit memo and forwarded to the City Manager for final approval, after which he would report to Council the name of the business and the loan amount. The credit memo would be an analysis of the loan underwriting conclusions; however, it would not include the detailed information of the business tax returns, five-year projections, or business plan. Those documents are provided to the program operator. In the 20 cities she has worked with, all have the decisions made at the City Manager level.

In response to Mayor Hitchcock, City Attorney Schwabauer stated that there is no specific statutory reference that provides confidentiality for these particular records; however, they would not fall in the category that the concerns over privacy outweigh the public's interest, nor is there attorney-client privilege. The Brown Act states that the public has a right to

view information presented to Council in document form, and he believed that the City would be unable to maintain confidentiality of those records.

Mr. King stated that the City could require two applications: one containing the required detailed loan information and the second containing generic information with the business name, address, and basic business plan, which would be available to Council and the public.

Council Member Hansen believed that many opportunities would be lost due to the public information and disclosure act as most do not want to disclose their business plans. He concurred that Council establish the allocation amount, the number of loans per year, and its community goals (i.e. type of business, location, etc.) and believed it was unnecessary for Council to receive the detailed loan documentation.

Mayor Hitchcock responded that Council has a responsibility for this CDBG money and she wanted to ensure it was handled appropriately and responsibly. She expressed concern that the City would not have adequate staff to handle the overseeing and monitoring of the loans and questioned what the cost would be to have an outside organization take on those duties.

Mr. King stated that there are three cost options: contracting with a private lending institution, contracting with the county or the county affiliate, or contracting with an individual. Staff is still reviewing these options and will have a recommendation when this matter comes back before Council.

Ms. Bedwell stated that the CDBG program allows activity delivery funds as an eligible use for program operation.

In response to Mayor Pro Tempore Johnson, Mr. Wood confirmed that there currently is no program income, from which to draw in order to start up this program; however, there are CDBG and HOME funds for low- and moderate-income housing assistance that could be applied toward the initial program administration.

Council Member Hansen expressed concern about allocating additional funds to this loan program as it would take money away from the brick and mortar type CDBG programs.

Mr. King stated that the federal government has recognized that the use of CDBG money to stimulate the local economy to create jobs for low- and moderate-income individuals is an appropriate use of CDBG money. He pointed out that the money goes back into this program for multiple uses, which is extremely beneficial should CDBG program funding be reduced or eliminated.

Mayor Pro Tempore Johnson questioned if the \$150,000 allocation could be banked for a period of time in order to build a larger pool, to which Mr. Wood replied that the ability to bank CDBG funds is based upon the balance and only 1.5 times the annual allocation is allowed to be carried over.

Wendell Youngsma with the San Joaquin County RLF Program stated that the county's success rate is over 90% and that the keys to a successful program are carefully reviewing the applicants, structuring the deal, and collecting the loan payments. Ten to fifteen percent of the loans go into default (i.e. more than 90 days past due); however, the county will work with the applicant by providing time to restructure or recapitalize or offer interest only for six months to a year in order to get the loan paid back. He attributed this effort to the high success rate. The county guidelines do not require 100% collateral to make the loan go through the committee, and if there were not enough business assets for collateral, personal assets would be used in its place.

In response to Council Member Hansen, Mr. Youngsma stated that he believed the program was very successful in stimulating the economy and creating jobs. The county's guideline is one job for every \$20,000 lent, and applicants are allowed one to two years to meet those goals.

PUBLIC COMMENTS:

- Steve Jarrett questioned why non-profit organizations were not listed under eligible applicants.

Ms. Bedwell stated that the CDBG program normally considers the loan program for private sector jobs because it is on the economic development side for profit-making businesses. CDBG money generally benefits non-profit organizations on the general side of the program as a grant or for community facility improvements.

Mr. Jarrett stated that Goodwill recently moved back into Lodi, which is an employment and training facility, and he believed it should be eligible for the loan program if it wanted to expand and bring more employees into Lodi.

Mayor Hitchcock responded that non-profit organizations, including Goodwill, would be eligible for CDBG funds in the form of a grant and they would not be required to pay back that money.

Council Member Mounce questioned if the job monitoring would track whether the employees are in the target area, to which Mr. Wood responded that this is a citywide program, so the jobs would not have to be created within the target area. Ms. Mounce expressed concern that employees from Stockton would not benefit our target area.

Mr. King stated that there could be a first source hiring agreement that would look first to hiring someone from Lodi and would then expand outside the area should no one be interested.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 8:17 a.m.

ATTEST:

Jennifer M. Perrin
Interim City Clerk

CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JULY 25, 2006

EXHIBIT C

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, July 25, 2006, commencing at 7:02 a.m.

A. ROLL CALL

Present: Council Members – Beckman, Hansen, Johnson, Mounce, and Mayor Hitchcock

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and Deputy City Clerk Taylor

B. TOPIC(S)

B-1 "Report from the San Joaquin Partnership on its recently adopted Economic Development Strategic Plan"

Mike Locke, President and CEO of the San Joaquin Partnership, provided a PowerPoint presentation (filed) outlining the results of a one-year study indicating the current direction and recommended plan for future economic development efforts in San Joaquin County. He shared that the plan is a blueprint for San Joaquin County's future economic development efforts, designed and orchestrated to culminate in a county-wide effort with the Partnership serving as one of many organizations involved in implementing the strategic plan. Developed over the course of 2005, the plan encompassed several meetings of the advisory committee acting as the steering group, which received input from a number of community focus groups and public workshops before adopting the plan on January 26, 2006. The community assessment, target industry analysis, and recommendation portions of the report are available at www.sjpnet.org; however, the competitive cities portion was not posted on the Partnership website so as to avoid elaborating on perceived weaknesses or comparisons with competitive cities. The strategic plan, organized to recommend eight goals for economic development efforts, contains objectives and strategies that would work to increase San Joaquin County's opportunities for growing its target industries and other high-impact businesses:

- Economic Development Focus
- Economic Development Marketing
- Business Climate
- Sites & Infrastructure
- Entrepreneurship
- Tourism
- Education & Workforce Development
- Quality of Life

In response to Council Member Hansen, Mr. Locke shared that the consultant, Angelou Economics, was aware that five of the seven county communities have growth limitations in place and were cognizant of the different attitudes in each community about the quality of growth. He shared that the focus of the 46 detailed recommendations of the report included issues of quality of redevelopment, uniqueness of community, and differentiating and setting of high standards so that what is built in different communities represents an improved quality of life from the perspective of existing citizens and those relocating to the area. Further, the report recommends supporting Measure K renewal and focusing greater emphasis on collaborations between communities with regard to transit programs so that dependency reduction upon vehicles can be accomplished. Additionally, the report encourages a balance in growth to maintain the quality of life as it relates to open space as

well as the protection of viticulture, which is the core base of tourism and the foundation of the local economy in the northern county region.

Council Member Hansen asked if the report focused on the higher cost of doing business in California and whether engaging in activities regarding legislative policy was discussed. Mr. Locke explained that California has a 15% to 20% cost differential when compared to other states, which is factored into decision making, especially in light manufacturing. The differential includes regulatory processes, labor costs, energy costs, and the higher cost of worker's compensation in California. He shared that one of the recommendations was that the business community get involved with creating a legislative policy body, perhaps led by the business council working with local chambers of commerce to create a coalition representing local political interests in state legislation. Council Member Hansen commented that if a stand is not taken to lobby on the state and federal level, decisions will be made may negatively impact the efforts of a community or county.

Mr. Locke stated that an entrepreneurial team is being formulated to create a high-end business incubator program, which will focus toward scientific and technology-driven businesses, developing an entirely new business base as well as qualified workers to support them. The strategic plan calls for the enhancement of Kindergarten through 12th grade programs, job training programs, vocational training, and support of the Delta College multi-campus strategy, all of which were viewed as significant parts of the education workforce development group. Tourism is recognized as an economic center for San Joaquin County to be developed and marketed with a county-wide focus on wine tourism, sports, entertainment events, and Delta waterways. A number of strategic priorities were identified in terms of job development relating to support of the master plan for the Mariposa Lakes property project, Stockton/San Joaquin Airport promotions, the Port of Stockton and Rough and Ready Island projects, and support of downtown revitalizations in each of the County cities. Lodi was pointed out as being the most successful in completing a comprehensive downtown revitalization and was encouraged to continue its efforts. Further, the report indicated that San Joaquin County could do better than other regions in California when competing nationally for comprehensive manufacturing businesses due to its rail, port, and aviation support and noted that the west coast consists of approximately 45 million consumers as the marketing target. The main focus for the Stockton Airport will be air freight and related developments since the proximity to Sacramento International Airport makes passenger transportation competition difficult.

Mayor Pro Tempore Johnson suggested that a vocational school might be interested in focusing on aircraft maintenance and landing gear repair in a cooperative effort with the Stockton airport to best utilize the airport facility. He noted that such a program would provide training to young community members, offering good paying jobs and the ability to remain in or near their community.

Mr. Locke reported that in the late 1990s San Joaquin County dropped out of the food processing industry due to issues over water availability, sewer discharge, and regulatory constraints. The consultant recommends returning to the food processing arena with a focus on viticulture, organic snack foods, nutritional items, and high value products with specialization that will become exports from the region such as the international distribution of aseptic packaged foods now being produced in Lathrop. Additionally, energy resources and agricultural biotechnology, as it relates to fuels, biomaterials, horticulture and fertilizer, are recommended, as well as energy resource technology, such as fuel cells, biomass, waste, solar, and wind power.

Logistics and distribution has historically been a heavy growth industry; however, the consultant recommended focusing on international trade, relying on assembly and component parts that tie to local industry. One recommendation currently being implemented is to form target industry teams comprised of community members related to

goal industries to work with the Partnership to create targeting and marketing outreach. Over the past 13 years, 90% of the Partnership effort has been on attraction and 10% has been on retention and expansion. The Partnership, by adoption of the strategic plan, is to change the formula to focus funding and staff time as follows: 60% toward attraction, 30% toward retention and expansion, and 10% toward entrepreneurship. Additionally, the consultant recommended that the Partnership hire three new staff members and that it generate another \$500,000 in funds, both of which the board indicated would be impractical and not feasible at this time. To implement the proposed strategies, four community partner groups have been formed: education and workforce development, public entities, allied chamber and visitor organizations, and business community. Initial group meetings were conducted in late June; bi-monthly meetings are scheduled to begin in August with the goal of identifying priorities, designating responsible parties, defining the pursuit of priorities, and implementation.

Recommendations specific to the Lodi community include: encouraging a mix of uses within the downtown area to continue development; consistently creating comprehensive incentive packages within the downtown area; developing a marketing strategy and campaign for business retention; supporting Measure K half cent sales tax; supporting international trade through new initiatives; creating business incubators, venture capital funds, and angel networks; expanding tourism resources to link diverse segments of activities promoting tourism; expanding and encouraging development of wine tourism; supporting the Delta College multiple campus strategy; making the County's high schools leading edge; creating a county-wide beautification plan; and working to streamline procedures for development and permit processes.

At the request of Council Member Hansen, Mr. Locke explained that, while the consultant did not specifically consider the Delta College program which offers high school students accelerated learning through college-accredited courses sponsored by or at the Delta College campus, it did provide examples of successful efforts and programs, such as accelerating traditional educational programs. Educators were consistent participants in the advisory committee in terms of workforce development components and noted that graduation from high school is the end of education for many individuals who could benefit from vocational training to better prepare for employment opportunities. Delta College is currently involved in contracts for vocational training programs in nursing, medical technology, and heavy machine operation, and the consultant recommended this be continued on a more broad scale, including skill set development for technicians in manufacturing and research.

Mayor Hitchcock commented that the County-wide beautification is an important aspect in drawing business and tourism to the area and asked about the changing focus on the range of technology to higher technology. Mr. Locke shared that San Joaquin County does not have a research institution or educational institution conducting research and development, which is highly sought after by technical industries looking for new site locations which can support research capabilities within the education field for basic research and training of personnel. San Joaquin County has very limited capacity past the undergraduate levels, and because of that many companies will not look in this county or bring a research capability until that can be remedied by our area, most probably after the next decade. The University of the Pacific (UOP) campus is not seen as being capable of offering this type of education due to the high cost of establishing such programs; however, it does produce many graduates in pharmaceuticals and chemistry. The Partnership is currently working to line up the UOP school chemistry curriculum with community fuels, allowing for internships, which could be established for chemical processes used in reconstituting used fuel products.

At the request of Mayor Pro Tempore Johnson, Mr. Locke explained that, during the past four years, the Partnership has worked to expand vocational education and training in the

valley by promoting a computer sciences program undergraduate degree at the University of Stanislaus at Stockton. The program is available at the Turlock campus; however, the Stockton campus has been designed to focus primarily on health care and nursing services which, while vital to the region, do not support the diverse and greater technology skilled employers and employees. He stated that expanding the Stockton campus curriculum to offer a computer sciences program would require private sector funding, the necessary equipment for a teaching computer lab, and funding for staff to support the program.

In response to Council Member Hansen, Mr. Locke explained that the Partnership will dedicate 60% of its efforts toward attraction and retention of business by contacting site selection consultants and brokers throughout the nation to share information about business opportunities in San Joaquin County through literature, trade shows, and meetings.

In reply to Mayor Hitchcock, Mr. Locke shared that the Partnership conducted a workshop to review and discuss the various recommendations before unanimously adopting the report in January 2006. There was concern voiced over the shortage of staff in the Partnership to address the consultant's recommended actions; however, if the Partnership is able to continue to rely on the community partner groups, the workload will be carried by the groups. The Partnership and staff are charged with moving forward with the recommendations and will continue to rely upon the cooperation, communication, and good will of all communities to meet the strategic plan objectives. He stated that interested individuals and groups are encouraged to contact the Partnership and become involved in sharing thoughts and ideas regarding the strategic plan and future growth.

Council Member Hansen asked if Mr. Locke would recommend that communities put their economic development budget dollars into the Partnership or into City staff positions to realize the greatest return on the investment. Mr. Locke shared that the County Board of Supervisors has contributed the same amount for 13 years and that the Partnership has not approached public entities for increased contributions since increased costs have been absorbed through private sector membership expansion. He added that each community faces economic development challenges such as retail and hotel/motel issues, in which the Partnership does not get involved. He stated that additional funding would be welcome but that, likewise, local staff members are encouraged to interact with the Partnership on the level that is desirable for the community, and to participate with the Partnership in programs and trade shows at the individual's expense. He stated that the Partnership will continue to support communities and take its direction from local communities to set the pace and direction of the working relationship.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 8:19 a.m.

ATTEST:

Jacqueline L. Taylor
Deputy City Clerk

**LODI CITY COUNCIL
SPECIAL CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, AUGUST 9, 2006**

EXHIBIT D

A. CALL TO ORDER / ROLL CALL

The Special City Council meeting of August 9, 2006, was called to order by Mayor Hitchcock at 5:30 p.m.

Present: Council Members – Beckman, Hansen, Johnson, Mounce, and Mayor Hitchcock

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and Interim City Clerk Perrin

B. CLOSED SESSION

At 5:30 p.m., Mayor Hitchcock adjourned the Special City Council meeting to a Closed Session to discuss the following matter:

B-1 Public employment – Council Appointee – job title, City Clerk; pursuant to Government Code §54957

The Closed Session adjourned at 6:40 p.m.

C. RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

At 6:40 p.m., Mayor Hitchcock reconvened the Special City Council meeting, and City Attorney Schwabauer disclosed that no reportable action was taken in closed session.

D. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 6:40 a.m.

ATTEST:

Jennifer M. Perrin
Interim City Clerk



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Quarterly Report of Purchases Between \$5,000 and \$20,000

MEETING DATE: August 16, 2006

PREPARED BY: City Manager

RECOMMENDED ACTION: Information only. This report is made to the City Council in accordance with Lodi Municipal Code §2.12.060.

BACKGROUND INFORMATION: During the 2nd calendar quarter of 2006, the following purchases were awarded. Background information for each purchase is attached as Exhibits A through L.

| Exh | Date | Contractor | Project | Award Amt. |
|-----|----------|-------------------------|--|-------------|
| A | 04/03/06 | Giddens Brothers | Sign Shop HVAC | \$ 6,023.23 |
| B | 04/04/06 | WMB Architects | Legion Park Re-Roof Architectural Svcs | \$12,540.00 |
| C | 04/04/06 | WMB Architects | Kofu Park Roof Replacement Arch Svcs | \$ 5,480.00 |
| D | 04/10/06 | Dell Inc. | Dedicated PW and Com Dev Server | \$15,061.87 |
| E | 04/11/06 | Ferguson Enterprises | Water Division Parts Inventory Replen. | \$ 7,140.18 |
| F | 04/25/06 | Jenchem | WSWPCF Effluent Treatment - Polymer | \$ 9,051.00 |
| G | 04/26/06 | Dell Inc | Laptop PCs for After-School Program | \$10,193.09 |
| H | 05/17/06 | D C Frost Associates | Fiberglass Effluent Troughs (WSWPCF) | \$15,462.13 |
| I | 05/30/06 | North Pacific Lumber | Wood Utility Poles (EUD) | \$16,802.55 |
| J | 06/06/06 | Econolite Control Prod. | Signal Controller & Panel | \$13,049.40 |
| K | 06/06/06 | Intraline, Inc. | Replacement Light Standards – Depot | \$ 6,170.29 |
| L | 06/21/06 | Weir Specialty Pumps | Hydrogritter Parts Replacement | \$ 8,863.54 |

FISCAL IMPACT: Varies by project. All purchases were budgeted in the 2005-2006 Financial Plan.

FUNDING: Funding as indicated on Exhibits.

Ruby Paiste, Financial Services Manager

James R. Krueger, Deputy City Manager

Prepared by Joel Harris, Purchasing Officer
cc: Deputy City Manager
Public Works Director
Electric Utility Director
I S D Manager

APPROVED: _____
Blair King, City Manager

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Sign Shop HVAC

DEPARTMENT: Public Works

CONTRACTOR Giddens Brothers, Inc.

AWARD AMOUNT: \$5,590.00

DATE OF RECOMMENDATION: April 3, 2006

BIDS OR PROPOSALS RECEIVED:

| | |
|------------------|------------|
| Giddens Brothers | \$6,023.23 |
| Henderson Bros. | \$6,028.61 |
| All Air | \$6,249.50 |

“NO BID” or NO RESPONSE RECEIVED:

BACKGROUND INFORMATION & BASIS FOR AWARD:

The Sign Shop is getting computerized sign making equipment and must be kept below 80 degrees and clean. The current shop has no air conditioning and the heater is over 30 years old. The new unit will allow the crews to keep the doors and windows closed to keep the temperature range in optimal levels. The new unit should be more energy efficient as well.

Award recommendation is based on low bid. Giddens Brothers' base bid for a two-ton unit was \$5,490 plus tax, but offered an upgrade to a 2-1/2-ton unit for just \$100 more. Other quotes were for a two-ton unit.

Purchases for the Sign Shop and related equipment are covered under Resolution 2005-159.

FUNDING: 12501201.7352

Prepared by: Curt Juran

Title: Assistant Street Superintendent

Purchase Order No. 15532

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Legion Park Re-roof Project (Architectural Services)
DEPARTMENT: Parks and Recreation
CONTRACTOR WMB Architects
AWARD AMOUNT: \$12,040.00
DATE OF RECOMMENDATION: April 4, 2006

BIDS OR PROPOSALS RECEIVED:
WMB Architects, Stockton \$12,040.00

“NO BID” or NO RESPONSE RECEIVED:
Dellamonica – Snyder Architects, Lodi
Lesovsky & Donaldson Architects, Stockton

BACKGROUND INFORMATION & BASIS FOR AWARD:

The architectural services will produce construction documents consisting of drawings, specifications and engineering to replace the existing flat roof construction of the recreation building with a new pitched roof structure.

These professional services contracts are specifically exempt from the advertising and bidding requirements of Lodi Municipal Code Section 3.20.070.

FUNDING: 1212806.1820 (Prop. 12 per capita Grant Program)

Prepared by: Steve Dutra

Title: Parks Superintendent

Purchase Order No. 9616

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Kofu Park Roof Replacement (Architectural Services)
DEPARTMENT: Parks and Recreation
CONTRACTOR WMB Architects
AWARD AMOUNT: \$5,180.00
DATE OF RECOMMENDATION: April 4, 2006

BIDS OR PROPOSALS RECEIVED:
WMB Architects, Stockton \$5,180.00

“NO BID” or NO RESPONSE RECEIVED:
Dellamonica – Snyder Architects, Lodi
Lesovsky & Donaldson Architects, Stockton

BACKGROUND INFORMATION & BASIS FOR AWARD:

The architectural services will produce construction documents consisting of drawings and specifications for the purpose of permitting, bidding and construction to replace the existing 30-plus year old shake roof on the recreation building.

These professional services contracts are specifically exempt from the advertising and bidding requirements of Lodi Municipal Code Section 3.20.070.

FUNDING: 1212806.1820 (Prop. 12 per capita Grant Program)

Prepared by: Steve Dutra

Title: Parks Superintendent

Purchase Order No. 9617

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Dedicated Public Works and Community Dev. Server
DEPARTMENT: Public Works and Community Development
CONTRACTOR Dell Computer Corp.
AWARD AMOUNT: \$15,061.87
DATE OF RECOMMENDATION: April 10, 2006

BIDS OR PROPOSALS RECEIVED:

| | |
|---------------------|-------------|
| Dell Computer Corp. | \$15,061.87 |
| Hewlett Packard | \$23,023.00 |
| Gateway | \$27,333.00 |

“NO BID” or NO RESPONSE RECEIVED:

None

BACKGROUND INFORMATION & BASIS FOR AWARD:

A dedicated server is required to meet the needs of the PW and CD Departments. This solution will provide our two departments with dedicated access to our own server for improved performance, reliability, speed, and efficiency with regard to accessing, manipulating, and saving our data. The system has been sized and designed to server the needs of the Geographic Information System Project that is gaining momentum, provide more storage space to the mapguide application, provide engineering more bandwidth for file transfer and provide faster access to project files for the three divisions within Community Development. In addition, by pulling approximately 40 of the City's most demanding users off the shared server and putting them on their own dedicated server, there will be noticeable improvement for the other users throughout the City such as the City Managers Officer, City Attorney's Officer, City Clerk's Office, Human Resources, etc. The award is based on performance and best fit with the City's existing IT infrastructure and not necessarily on lowest price.

FUNDING: Code Enforcement Grant / Water Capital / Wastewater Capital / General Facilities IMF / Engineering

Prepared by: Charlie Swimley

Title: Senior Civil Engineer

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Water Division Parts Inventory Replenishment
DEPARTMENT: Public Works, Water Division
CONTRACTOR Ferguson Enterprises
AWARD AMOUNT: \$ 7,140.18
DATE OF RECOMMENDATION: April 11, 2006

BIDS OR PROPOSALS RECEIVED:

| | |
|---|-------------|
| Ferguson Enterprises | \$ 7,140.18 |
| Groeniger | \$ 8,122.84 |
| Ed Walsh Company | \$ 9,068.29 |
| Center State Pipe (Bid only a partial list) | \$4,285.99 |

“NO BID” or NO RESPONSE RECEIVED:

N/A

BACKGROUND INFORMATION & BASIS FOR AWARD:

The valves on this order, from ¾” size to 8”, are used throughout the City’s water distribution system.

Recommended award based on low bid.

FUNDING: 180.1496 Water Inventory

Prepared by: Randy Lipelt

Title: Senior Storekeeper

Purchase Order No. 15232

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: WSWPCF Effluent Treatment - Polymer
DEPARTMENT: Public Works - White Slough Facility
CONTRACTOR Jenchem, Walnut Creek
AWARD AMOUNT: \$9,051.00
DATE OF RECOMMENDATION: April 25, 2006

BIDS OR PROPOSALS RECEIVED:

Jenchem, Walnut Creek
Rosa Associates

\$.75/lb
\$.82/lb

“NO BID” or NO RESPONSE RECEIVED:

None

BACKGROUND INFORMATION & BASIS FOR AWARD:

Polymer is needed to improve the quality of the treatment plant effluent. Without the polymer we would not be able to discharge without a violation.

The department has not found another supplier with a comparable product that will provide the performance required to effectively treat the effluent.

FUNDING: 170403

Prepared by: Del Kerlin

Title: Assistant Water Treatment Supt.

Purchase Order No. 15481

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Purchase Basic Laptop Computers for After-School Program
DEPARTMENT: Parks & Recreation
CONTRACTOR: Dell Inc.
AWARD AMOUNT: \$10,193.09
DATE OF RECOMMENDATION: April 26, 2006

BIDS OR PROPOSALS RECEIVED:

Dell Inc.

\$10,193.09

“NO BID” or NO RESPONSE RECEIVED:

None

BACKGROUND INFORMATION & BASIS FOR AWARD:

The Parks & Recreation Department has been awarded a grant from the California Department of Education under the After-School Education and Safety (ASES) Program.

The ASES Program is the result of the 2002 voter-approved initiative Proposition 49. The ASES Program funds the establishment of local after-school education and enrichment programs. These programs are created through partnerships between schools and local community resources to provide literacy, academic enrichment and safe constructive alternatives for students in kindergarten through ninth grade.

Purchase from Dell Computers is recommended under Resolution 2005-108, which authorizes purchase of desktop and laptop computers from Dell, MPC, and HP, and under Resolution 2001-261, which authorizes the use of Western States Contracting Alliance contracts with Dell and other contractors.

FUNDING: Grant Funds – Account 107029.

Prepared by: Joel Harris

Title: Purchasing Officer

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Fiberglass Effluent Troughs (WSWPCF)
DEPARTMENT: Public Works
CONTRACTOR DC Frost Associates, Inc.
AWARD AMOUNT: \$15,462.13
DATE OF RECOMMENDATION: May 17, 2006

BIDS OR PROPOSALS RECEIVED:
DC Frost Associates, Inc. \$15,462.13

“NO BID” or NO RESPONSE RECEIVED:

JBW Water & Wastewater
Misco

BACKGROUND INFORMATION & BASIS FOR AWARD:

The fiberglass troughs are used in the primary sediment basins at White Slough. Over time the fiberglass degrades and needs replacement. Three requests for quotes were sent to prospective vendors. Only one returned a quote.

FUNDING: 172412.1829.1800

Prepared by: Del Kerlin

Title: Asst. W. T. Supt.

Purchase Order No. 15689

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Purchase Wood Utility Poles
DEPARTMENT: Electric Utility
CONTRACTOR North Pacific Lumber Company
AWARD AMOUNT: \$16,805.55
DATE OF RECOMMENDATION: May 30, 2006

BIDS OR PROPOSALS RECEIVED:

| | |
|---|-------------|
| North Pacific Lumber Co., Portland, OR | \$16,805.55 |
| Nevada Wood Preserving, Silver Springs, NV | \$17,825.09 |
| Maydwell & Hartzell (J H Baxter), Hayward, CA | \$19,347.59 |
| McFarland Cascade, Tacoma, WA | \$20,069.52 |
| Bell Lumber & Pole Co., Conway, WA | \$26,027.02 |

“NO BID” or NO RESPONSE RECEIVED:

BACKGROUND INFORMATION & BASIS FOR AWARD:

This purchase covers needs identified in Work Orders #5252 and #6091, and provides an inventory for replacement of damaged or deficient poles.

Award is based on low bid.

FUNDING: 160.1496 Electric Inventory

Prepared by: Randy Lipelt

Title: Senior Storekeeper

Purchase Order No. 15692

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Signal Controller and Panel
DEPARTMENT: Public Works
CONTRACTOR Econolite Control Products
AWARD AMOUNT: \$13,049.40
DATE OF RECOMMENDATION: June 6, 2006

BIDS OR PROPOSALS RECEIVED:
Econolite Control Products \$13,049.40

“NO BID” or NO RESPONSE RECEIVED:
N/A

BACKGROUND INFORMATION & BASIS FOR AWARD:

This unit provides for replacement of a failed traffic signal controller and panel at West Elm Street and Lower Sacramento Road.

The City Council on April 15, 1998 approved Econolite as the standard traffic controller / cabinet system for use in the City.

FUNDING: 105031.7706

Prepared by: George Bradley

Title: Streets Superintendent

Purchase Order No. 15701

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Purchase of Replacement Light Standards – Multi-Modal Station

DEPARTMENT: Electric Utility

CONTRACTOR Intraline, Inc., Burlingame

AWARD AMOUNT: \$6,170.29

DATE OF RECOMMENDATION: June 6, 2006

BIDS OR PROPOSALS RECEIVED:

| | |
|--|------------|
| Intraline, Inc. | \$6,170.29 |
| General Electric Supply, North Highlands, CA | \$6,341.09 |
| Ace Supply Company, Emeryville | \$6,680.50 |
| All-Phase Electric Supply, Stockton | \$6,836.74 |

“NO BID” or NO RESPONSE RECEIVED:

Southwest Power, Benicia, CA
General Pacific, Portland, OR
WESCO Distribution, San Leandro
Western States Electric, Portland, OR

BACKGROUND INFORMATION & BASIS FOR AWARD:

This order provides for replacement of two damaged light standards at the multi-modal station.

FUNDING: 160.1496 Electric Inventory

Prepared by: Randy Lipelt

Title: Sr. Storekeeper

Purchase Order No. 15702

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Hydrogritter Parts Replacement
DEPARTMENT: Public Works
CONTRACTOR Weir Specialty Pumps
AWARD AMOUNT: \$8,863.54
DATE OF RECOMMENDATION: June 21, 2006

BIDS OR PROPOSALS RECEIVED:

Weir Specialty Pumps

\$8,863.54

“NO BID” or NO RESPONSE RECEIVED:

N/A

BACKGROUND INFORMATION & BASIS FOR AWARD:

This equipment requested on this order is essential to process control at White Slough.

This vendor is the sole source for this equipment.

FUNDING: 170403.7331

Prepared by: Del Kerlin

Title: Asst. W. T Supt.

Purchase Order No. 15709



CITY OF LODI

COUNCIL COMMUNICATION

TM

AGENDA TITLE: Approve request for proposals for benefits administration consultant/broker

MEETING DATE: August 16, 2006

PREPARED BY: Kirk J. Evans, Risk Manager

RECOMMENDED ACTION: That City Council approve the attached request for proposals (RFP) for benefits administration consulting services for distribution to interested firms.

BACKGROUND INFORMATION: A benefits administration consultant/broker provides consultation and delivers services on any matter pertaining to the operation of the City's employee benefits programs. In the past, our broker has reviewed the availability of long-term disability and other ancillary lines of coverage such as life insurance, vision and chiropractic coverage, made recommendations for maximizing benefits within cost constraints, and assisted with implementation of any selected programs. Our broker has been especially valuable in helping the City manage difficult periods associated with the volatile medical insurance environment. When the City has considered changing medical insurance providers, our broker has played an instrumental role in generating analyses regarding new rate structures, developing comparisons between different providers across a very broad range of benefits, and addressing numerous questions and concerns from current and retired City employees. When many Lodi physicians who had served City employees for years decided to move to another network, our broker stepped in once again to answer questions, provide guidance, and ensure a continuity of care to the best of their ability in extremely difficult circumstances.

The City of Lodi currently contracts with ABD Insurance and Financial Services for benefits administration and consulting services. Under the terms of the Agreement with ABD there is an administrative option, which was exercised, to renew the contract up to February 28, 2007. Workload in Human Resources, and the City in general, is always very heavy in the early months of a new year when budget preparation and other projects take place. It is felt there is no more opportune time than the present to start the RFP process and get a new broker and/or agreement in place prior to commencement of calendar 2007. The RFP schedule is as follows:

| | |
|------------|---|
| 08/17/2006 | Issue RFP. |
| 09/08/2006 | RFPs due. |
| 09/15/2006 | Conclude review of RFPs and invite selected firms for interviews. |
| 09/27/2006 | Conduct interviews with selection committee and determine tentative selection. |
| 10/05/2006 | Conclude reference check of tentative selection. |
| 10/06/2006 | Submit agenda title to City Clerk. |
| 10/18/2006 | Present contract to City Council for designation of Benefits Consultant/Broker. |
| 11/01/2006 | Contract for employee benefits consulting/broker services begins. |

APPROVED: _____
Blair King, City Manager

FISCAL IMPACT: \$35,210 has been budgeted in the 270201 Benefits Administration Fees account for consulting services. The RFP provides that in the event the City decides to proceed with significant plan changes - particularly in the medical benefits arena - the broker may be required to provide additional research, meeting times, presentations, and staff hours to ensure successful implementation. All proposals shall provide a fee schedule for significant plan changes. Should such services be required during the course of the contract with the selected firm, staff will return to Council for approval of these services accompanied by a funding proposal.

FUNDING AVAILABLE:

Ruby Paiste, Financial Services Manager

James Krueger
Deputy City Manager

Attachments

CITY OF LODI
STATE OF CALIFORNIA
NOTICE TO EMPLOYEE BENEFITS CONSULTANTS/BROKERS

NOTICE IS HEREBY GIVEN THAT the City of Lodi will receive proposals for benefits administration consulting services for the City of Lodi. Initially, the benefits consultant/broker will focus on the medical, dental and long-term disability plans. However, the broker will also review all forms of benefits provided by the City, determine COBRA and HIPAA compliance, advise and if necessary assist, the City in establishing a cafeteria plan. The broker shall coordinate the submittal of proposals from various vendors, seek alternate benefit selections, and negotiate premiums.

Each proposal must be in accordance with the provisions of the Request for Proposals (RFP) now on file with the Deputy City Manager, City of Lodi, California, which are incorporated herein by reference and made a part hereof.

For additional information regarding this matter, please contact the Human Resources Division at (209) 333-6704.

Proposals will be received until 3:00 p.m., Friday, September 8, 2006, at the office of the Human Resources Division, 221 West Pine Street, Lodi, California, 95240.

CITY OF LODI

James Krueger, Deputy City Manager

TO BE PUBLISHED: Saturday, August 19, 2006 – Lodi News Sentinel
 Sunday, August 20, 2006 – The Record

CITY COUNCIL
SUSAN HITCHCOCK, Mayor
BOB JOHNSON,
Mayor Pro Tempore
JOHN BECKMAN
LARRY D. HANSEN
JOANNE MOUNCE

CITY OF LODI



BLAIR KING,
City Manager

JENNIFER PERRIN,
Interim City Clerk

D. STEPHEN SCHWABAUER,
City Attorney

CITY HALL, 221 WEST PINE STREET / P.O. BOX 3006
LODI, CALIFORNIA 95241-1910

REQUEST FOR PROPOSALS:

BENEFITS ADMINISTRATION CONSULTING SERVICES

The City of Lodi is interested in receiving proposals from insurance consultants/brokers who specialize in employee benefit programs. We would be interested in receiving your proposal. If you are not able to respond to this RFP, it would be appreciated if you could refer this document to another interested party.

For more information please contact Mr. James Krueger, Deputy City Manager at (209) 333-6704.

Thank you for your consideration.

August 17, 2006

CITY OF LODI

REQUEST FOR PROPOSALS:

BENEFITS ADMINISTRATION CONSULTING SERVICES

The City of Lodi is desirous of receiving proposals for benefits administration consulting services for its employee benefit programs, including group purchase and self-insurance programs.

I. Background

The City of Lodi provides health benefit programs for its full-time employees and their eligible dependents, as well as eligible retired employees and COBRA participants. The benefit programs include medical, dental, vision, chiropractic, employee assistance, life insurance, accidental death insurance, unemployment insurance and long-term disability. Employees may also use a Section 125 plan to offset childcare costs, pre-tax premium payments, or unreimbursed medical and dental expenses.

Currently, there are approximately 448 budgeted positions of which 415 are currently filled, along with 123 retirees, five (5) COBRA enrollees, and five (5) council members who are eligible for benefits. Employees may receive cash back for not participating in the medical plan. As of this date, 30 employees are participating in this plan. This option does not apply to the dental plan or any other benefit.

The City provides the CalPERS Health Benefits plan which renews on January 1, 2007. The City provides a self-insured dental plan administered by the Stanislaus Foundation for Medical and Dental Care. Long-term disability protection is provided by UnumProvident. Exhibit A presents an inventory of employee group insurance plans and annual expenditures associated with each.

The City currently has a benefits broker. Continuation of professional consultation services from a benefits broker is desired, including administrative support for Human Resources staff in administering benefit plan activities and resolving provider problems. The City believes there may be a need to restructure its insurance plans - particularly with regard to long-term disability and medical benefits. The City may need to examine alternate medical insurance plans, insurer performance standards, and benefits administration service performance expectations.

II. Scope of Work

The City envisions that the broker's work will consist of a three-phase process. The first phase is to perform a review and provide guidance on those benefit programs which historically have been most costly to the City - medical, dental and long-term disability. The second phase is to assist in the implementation of any recommended plan changes the City may decide to pursue. The third phase, or component, will be comprised of a review of all other benefit programs while providing the City with recommendations for improvement, particularly regarding the establishment of a cafeteria benefits plan. Completion of all work on the first or second phase is not necessary in order for work on the third phase to commence.

1. Review the operation of the City's long-term disability, dental and medical plans from the standpoint of loss ratio, claims expenses, premium generation, provider contracts and other relevant factors.
2. Review the availability of alternative long-term disability, dental and medical plan insurers and/or administrators and plan designs in the local market place, make recommendations for maximizing benefits within cost constraints, and assist with implementation of selected recommendations.
3. Provide ongoing consultation and advice on City coverage including advice on the design of benefit programs relative to changes in employee demographics, legal requirements, impact of taxation, legislation, benefit trends, government programs and mandated benefits, and local market provider availability.
4. Attend meetings upon request of the City for the purpose of providing subject matter expertise and reviewing services provided in items 1 through 3 above. Anticipate up to six separate appearances in the first year of contracted services; thereafter, attendance should be limited to two or three meetings per year.
5. Provide consultation or other services as requested on any matter pertaining to the operation of the City's employee benefit programs.
6. Upon request of the City, potentially upon short notice, produce probable cost of actual or hypothetical changes in one or more of the City's insurance programs.
7. Assist the City with preparation of specifications and requests for proposals to be submitted to prospective carriers/providers of employee benefits.
8. Analyze proposals received from carriers in terms of premium, retention, policy provisions, plan design, administrative services, financial strength, claims handling, customer service, and stability of performance.
9. Monitor, and participate in as necessary, the writing of insurance contracts in corporation with the provider(s) and City.

10. Assist the City in administering its medical, self-insured dental, vision, LTD, and life insurance plans; respond to questions from, and provide information to City staff; settle claims disputes; and provide other oversight services during the course of the contract.
11. Provide monthly eligible billing reconciliation services where appropriate.
12. Participate in the development of a cost containment strategy for the City as required.
13. Advise the City on performance and measurement standards for insurance companies and new trends and developments in the employee benefit field, including state and federal legislation.
14. Review and evaluate periodic reports of claims experience and other statistical reports submitted by insurance providers and report findings to the City.
15. Conduct bi-annual actuarial analyses of all self-insured programs, including recommendation of appropriate premium rates and liability accounting data to meet GASB reporting requirements.
16. Participate in negotiations with carriers regarding premium rates and conditions and advise the City accordingly.
17. Attend, when requested, as a subject matter expert, negotiation sessions between the City and employee bargaining units.
18. Assist the City in obtaining, preparing and distributing employee benefit plan literature and materials and maintaining inventories of these materials.
19. Assist the City in educating employees regarding the features of existing benefit programs, implementing changes to existing programs, or implementing entirely new programs. This includes preparing employee handbooks and/or descriptive literature and attending workshops and meetings as necessary as determined by City staff.

III. Instructions for Preparing and Submitting Proposals

Preparation of the Proposal

Each proposal shall include, at a minimum, the following information:

1. Background information pertaining to type of organization and specialization including a brief description, length of time in business, number of staff, ownership and/or agency connections with insurance companies or other employee benefit vendors including compensatory arrangements.

2. Current client list with minimum employee group size of 200 - specifically including public sector agencies when available, the name and address of each client and the name, title and telephone number of each client's benefit manager.
3. Description of the firm's ability to provide services outlined in the scope of work, a description of the work to be conducted, and listing of additional services that will be included without additional cost.
4. Detail of firm's experience and experience of staff member(s) proposed to serve the City.
5. Schedule of compensation based on a three (3) year agreement with renewal to be negotiated. Compensation shall be structured as follows:
 - a. Consulting services - proposed maximum annual fee for services rendered as outlined in the Scope of Work.
 - b. Plan Change Implementation services - in the event the City decides to proceed with significant plan changes - particularly in the medical benefits arena - the broker may be required to provide additional research, meeting times, presentations, and staff hours to ensure successful implementation. The broker shall identify the types of benefits plan changes which will require these fees, and shall propose a Plan Change Implementation services fee schedule - flat fee basis only.
 - c. Biannual actuarial study for self-insured programs - flat fee basis only.
 - d. For services rendered to the City, the broker may be entitled to commission and service allowances paid by insurance carriers in connection with the City's insurance programs. However, any such commission or service allowance shall serve to offset the maximum annual fee.
6. Identify type and coverage amounts for firm's own liability coverages, errors and omissions policy, and workers' compensation.

Submission of Proposal

1. Send 10 copies of the written proposal by Friday, September 8, 2006, no later than 3:00 p.m. to the following address:

City of Lodi
Human Resources Division
221 West Pine Street
Lodi, CA 95240

Late proposals received after the specific due date and time will be rejected. Proposals must be in written form, fax proposals will not be accepted. The wall clock in the Human Resources Division will be used to determine timeliness of submitted proposals.

IV. Evaluation and Award

The proposal will be rated and ranked based on the following criteria (which are not in rank order of importance):

1. Ability to provide all services as outlined in the Request for Proposal.
2. Experience of the firm and expertise of its personnel assigned to the City's account in provision of services.
3. Past record of performance including control of costs, quality of work, and completion of tasks in a timely manner.
4. Cost of services.
5. Concept and proposed solutions, including responsiveness to the RFP, completeness and thoroughness of proposal.
6. Additional services available from firm, which are deemed to be advantageous to the City.

V. Related Qualifications and Experience

Qualified firms must currently be providing consulting services on employee benefit issues to an organization with a minimum employee group size of 200. To be considered for this RFP, the successful firm must also have:

1. Broad knowledge of state and federal benefit laws including up to date information on all tax reform issues.
2. Comprehensive knowledge of technical requirements in the establishment, funding and operation of benefit programs.
3. Broad knowledge of prevailing benefit practices and trends in the public and private sectors.
4. Sufficient resources and expertise in a broad range of benefit areas to respond to the need for telephone consultation and to be available for meetings.

VI. Timeline

| | |
|-----------|---|
| 8/17/2006 | Issue RFP |
| 9/8/2006 | RFPs due |
| 9/15/2006 | Conclude review of RFPs and invite selected firms for interviews |
| 9/27/2006 | Conduct interviews with selection committee and determine tentative selection |

| | |
|------------|--|
| 10/5/2006 | Conclude reference check of tentative selection |
| 10/6/2006 | Submit agenda title to City Clerk |
| 10/18/2006 | Present contract to City Council for designation of Benefits Consultant/Broker |
| 11/1/2006 | Contract for employee benefits consulting/broker services begins |

The City reserves the right to adjust the time schedule as needed. Any changes in date for RFP submissions will be communicated to all firms sent RFP documents.

VII. Disclaimers

1. Costs for developing proposals are entirely the responsibility of the party responding to the RFP and shall not be chargeable in any way to the City.
2. City shall review proposals and those deemed to be most qualified at the sole discretion of City shall be scheduled for a presentation with the selection committee.
3. Consultant/broker presentations will be scheduled at the discretion of the City and firms shall bear any expense associated with such presentation. Firms not available to attend the presentation may be removed from further consideration.
4. The City shall not discriminate on the basis of race, color, ancestry, religion, creed, national origin, gender, sexual orientation, physical handicap, age or marital status in the award or performance of any contract or subcontract resulting from or relating to this Project.
5. The proposal will not constitute an agreement, but rather, will supply provisions that will, if accepted, be incorporated by reference into an agreement between the parties for benefits administration consulting services.
6. The City contemplates a three (3) year agreement with renewal to be negotiated annually thereafter; a 30-day written cancellation clause by either party will be included.
7. Payment for services will be made in arrears upon submittal of statement with terms of net 30 days.
8. The City reserves the right to withdraw this RFP at any time without prior notice. The City also makes no representations that any agreement will be awarded to any firm responding to this RFP. The City expressly reserves the right to reject any and all proposals and to be the sole judge of the responsibility of any firm and of the suitability of the materials and/or services to be rendered. The City reserves the right to waive any minor irregularities, informalities, or oversights at its sole discretion. The term "minor" as used herein means any proposer or City irregularities or oversights that do not materially affect or alter the intent

and purpose of the RFP, and do not provide an unfair advantage or disadvantage to any firm responding to this RFP.

9. Any firm submitting a proposal shall not contract or lobby any City Council member or staff, City official, employee, or agent regarding the RFP. Any party attempting to influence the RFP, RFP submittal, and review process may have their proposal rejected for violating this provision of the RFP.

VIII. Information

Any questions concerning this RFP shall be directed to:

James Krueger, Deputy City Manager
City of Lodi
221 West Pine Street
Lodi, CA 95240
(209) 333-6704

If unavailable, questions may be directed to:

Kirk Evans, Risk Manager
City of Lodi
221 West Pine Street
Lodi, CA 95240
(209) 333-6704

IX. Date of Request for Proposal:

August 17, 2006

Exhibit A - Employee Group Insurance Inventory

Fiscal Year 2006-07

Medical – CalPERS Health Benefits Program

| | | | |
|--------------|----|-----------|-----------------|
| 400 Active | \$ | 4,500,093 | annual premiums |
| 123 Retirees | \$ | 547,523 | annual premiums |

Dental - City Self-Insured Plan administered by Stanislaus Foundation

| | | | |
|------------|----|---------|-------------------|
| 428 Active | \$ | 372,425 | annual claims |
| | \$ | 25,000 | claims admin fees |

Long-Term Disability Insurance - UnumProvident Plan

| | | | |
|------------|----|---------|-----------------|
| 300 Active | \$ | 214,215 | annual premiums |
|------------|----|---------|-----------------|

Vision - Vision Service Plan

| | | | |
|------------|----|--------|-----------------|
| 432 Active | \$ | 95,898 | annual premiums |
|------------|----|--------|-----------------|

Chiropractic - Landmark Healthplan

| | | | |
|------------|----|--------|-----------------|
| 386 Active | \$ | 22,205 | annual premiums |
|------------|----|--------|-----------------|

Term Life - Standard Insurance Plan

| | | | |
|------------|----|--------|-----------------|
| 321 Active | \$ | 71,228 | annual premiums |
|------------|----|--------|-----------------|

Accidental Death Insurance - Standard Insurance Plan

| | | | |
|------------|----|--------|-----------------|
| 240 Active | \$ | 14,559 | annual premiums |
|------------|----|--------|-----------------|

Blanket Accident Insurance – AIG, Inc., Plan

| | | | |
|------------|----|-------|-----------------|
| 239 Active | \$ | 1,875 | annual premiums |
|------------|----|-------|-----------------|



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt resolution awarding the contract for upgrades to Carnegie Forum audio/visual presentation equipment to Anderson Audio Visual, of Sacramento (\$18,713.75) (ISD)

MEETING DATE: August 16, 2006

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Adopt resolution awarding the contract for upgrades to Carnegie Forum audio/visual presentation equipment to Anderson Audio Visual, of Sacramento.

BACKGROUND INFORMATION: In order to provide for more reliable visual presentations in the City Council Forum, City staff was asked to research upgrading the audio/visual presentation equipment, and to provide for multiple inputs from staff computers and guest presenters. The current presentation equipment consists of laptop computers wirelessly communicating with a single LCD projector placed on the top of the presentation podium. The drawback to the current arrangement has been a blocked line-of-sight between the council dais and people standing at the podium. Moreover, the wireless connection has failed during presentations causing interruptions to Council meetings and other presentations. The current 3M overhead transparency projector also tends to obscure the screen view.

The proposed system would provide for a physically hard-wired connection between multiple input devices and a ceiling mounted LCD projector. This arrangement eliminates the line-of-sight problem mentioned earlier. The new system will also provide an intuitively designed and simplified switching device, allowing both staff and the City Clerk to control the input from multiple devices. In addition, the video feed to the LCD projector will be split to simultaneously connect to the cable television broadcast. The video mix will allow the local cable company to provide a much clearer image to the cable television audience than they are receiving now. A retractable screen will also be included in the installation.

A digital document camera is included in the budget for this project, but will be bid and purchased separately from this contract. The new camera will replace the current overhead transparency projector and its placement will not obscure anyone's view.

In order to provide for audio output from the presentation system, an amplifier and four additional ceiling speakers will be installed. The new presentation equipment cannot be directly connected to the existing Council Forum sound system without risking overloading or damaging the older system. The existing sound system is very old and will need to be replaced in the future.

Lodi Municipal Code §3.20.070 allows alternative methods of procurement when such methods are in the best interest of the City. The City would benefit from contracting with Anderson Audio Visual due to their proven expertise, references and responsiveness. Moreover, much of the contract involves non-commoditized professional services, something that cannot be accurately compared between multiple

APPROVED: _____
Blair King, City Manager

bidders. The costs shown below include audio/visual equipment, switching equipment, hardware, cabling, connectors, systems design, project coordination, and field installation labor required to provide a complete and fully operative system.

Exhibit A shows the layout of how the audio/visual equipment will be deployed in the Council Chambers.

SUMMARY OF SYSTEM COSTS:

| | |
|--|--------------------|
| Equipment | \$11,374.25 |
| Design, Installation, & Labor | \$6,458.00 |
| Sub-Total | \$17,832.25 |
| Tax | 881.50 |
| Total Cost | \$18,713.75 |

FISCAL IMPACT: These upgrades to Carnegie Forum audio/visual presentation equipment have been budgeted for in the 2006/2007 Fiscal Budget.

FUNDING: Budgeted item **123001.7715** (*Technology Replacement Fund*)

Ruby Paiste, Financial Service Manager

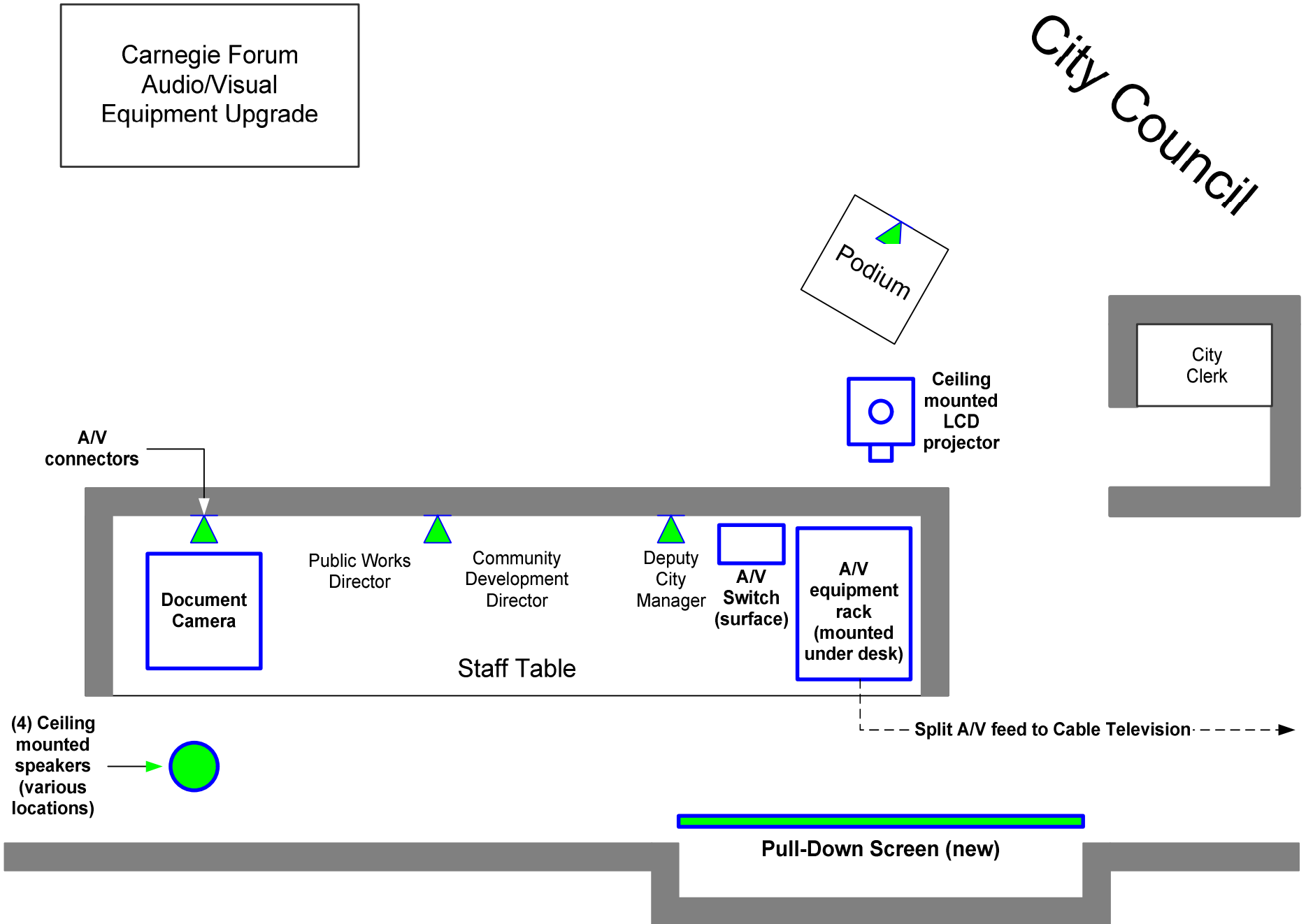
Respectfully Submitted,

James R. Krueger
Deputy City Manager

Prepared by:
Mark White, Information Systems Coordinator

JK/SM/CMW

cc: Steve Mann, Information Systems Manager
Joel Harris, Purchasing Officer



RESOLUTION NO. 2006-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE PURCHASE OF AUDIO/VISUAL PRESENTATION
EQUIPMENT FOR THE CARNEGIE FORUM

=====

WHEREAS, Lodi Municipal Code §3.20.070 authorizes dispensing with bids for purchases of supplies, services, or equipment when it is in the best interest of the City to do so; and

WHEREAS, in order to provide for more reliable visual presentations in the City Council Forum, staff has researched upgrading the audio/visual presentation equipment that will provide for multiple inputs from staff computers and guest presenters; and

WHEREAS, the current presentation equipment consists of laptop computers wirelessly communicating with a single LCD projector placed on the top of the presentation podium which causes the following problems: 1) a blocked line-of-sight between the council dais and people standing at the podium; 2) the wireless connection has failed during presentations causing interruptions to Council meetings and other presentations; and 3) the current 3M overhead transparency projector also tends to obscure the screen view; and

WHEREAS, the proposed system would provide for a physically hard-wired connection between multiple input devices and a ceiling mounted LCD projector, and would eliminate the line-of-sight problem mentioned above; and

WHEREAS, the new system will also provide an intuitively designed and simplified switching device, allowing both staff and the City Clerk to control the input from multiple devices; and

WHEREAS, the video feed to the LCD projector will be split to simultaneously connect to the cable television broadcast and will allow the local cable company to provide a much clearer image to the cable television audience than they are receiving now. A retractable screen will also be included in the installation; and

WHEREAS, a digital document camera is included in the budget for this project, but will be bid and purchased separately from this contract. The new camera will replace the current overhead transparency projector and its placement will not obscure anyone's view; and

WHEREAS, in order to provide for audio output from the presentation system, an amplifier and four additional ceiling speakers will be installed, due to the fact that the new presentation equipment cannot be directly connected to the existing Council Forum sound system without risking overloading or damaging the older system; and

WHEREAS, staff recommends purchasing the equipment through Anderson Audio Visual due to their proven expertise, references and responsiveness, and much of the contract involves non-commoditized professional services, something that cannot be accurately compared between multiple bidders; and

WHEREAS, the costs shown below include audio/visual equipment, switching equipment, hardware, cabling, connectors, systems design, project coordination, and field installation labor required to provide a complete and fully operative system:

| | |
|-------------------------------|-------------|
| Equipment | \$11,374.25 |
| Design, Installation, & Labor | \$6,458.00 |
| Sub-Total | \$17,832.25 |
| Tax | 881.50 |
| Total Cost | \$18,713.75 |

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute contract with Anderson Audio Visual, of Sacramento for the purchase of Carnegie Forum audio/visual presentation equipment in an amount not to exceed \$18,713.75.

Dated: August 16, 2006

=====

I hereby certify that Resolution No. 2006-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 16, 2006, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. PERRIN
Interim City Clerk

2006-____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Awarding Contract for Well 27 Well Drilling at 2360 West Century Boulevard (DeBenedetti Park) to Zim Industries, Inc., of Fresno (\$208,700)

MEETING DATE: August 16, 2006

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council adopt a resolution awarding the contract for the above project to Zim Industries, Inc., of Fresno, in the amount of \$208,700.

BACKGROUND INFORMATION: This project consists of constructing a water well at the future DeBenedetti Park, 2360 West Century Boulevard (site plan attached).

The first phase of this project is well drilling and development that will determine the optimal yield of the well. The second phase is for the pump and motor installation which depends on the results of the well development phase. Remaining phases will be for site development which includes the piping, controls, and interim enclosure around the well site.

Location of the well is consistent with the Water Master Plan, the General Plan, and the Housing Element. The environmental impacts of constructing the well have been addressed in the 2005 Housing Element Update Environmental Impact Report, and a categorical exemption has been prepared and filed by the Community Development Department.

Plans and specifications for this project were approved on June 21, 2006. The City received the following two bids for this project on July 26, 2006.

| Bidder | Location | Bid |
|-----------------------------|-----------|-----------|
| Engineer's Estimate | | \$220,000 |
| Zim Industries, Inc. | Fresno | \$208,700 |
| Nor-Cal Pump & Well Service | Yuba City | \$223,398 |

FISCAL IMPACT: There will be additional maintenance costs associated with a new water production well.

FUNDING AVAILABLE: The money for this project will be coming from Water Impact Mitigation Fees and was budgeted in FY 05/06.
Project Estimate (including contingency): \$240,000

Ruby Paiste, Financial Services Manager

Richard C. Prima, Jr.
Public Works Director

Prepared by Mark J. Lindseth, Associate Civil Engineer
RCP/MJL/pmf
Attachment

cc: City Attorney

Purchasing Officer

Assistant Water/Wastewater Superintendent

APPROVED: _____
Blair King, City Manager



| | | |
|----------|----|---------|
| 1" x 42" | ML | KG & DM |
| NOISE | | NA |
| NA | | NA |



**DEBENEDETTI PARK
PRELIMINARY
WELL SITE LAYOUT**

RESOLUTION NO. 2006-_____

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING THE
CONTRACT FOR WELL 27 WELL DRILLING AT 2360 WEST
CENTURY BOULEVARD (DEBENEDETTI PARK)

=====

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on July 26, 2006, at 11:00 a.m. for the contract for Well 27 Well Drilling at 2360 West Century Boulevard (DeBenedetti Park), described in the specifications therefore approved by the City Council on June 21, 2006; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof filed with the City Manager as follows:

| <u>Bidder/Location</u> | <u>Bid Amount</u> |
|--|--------------------------|
| Engineer's Estimate | \$220,000 |
| Zim Industries, Inc. | \$208,700 |
| Nor-Cal Pump & Well Service, Yuba City | \$223,398 |

WHEREAS, staff recommends award of the contract for Well 27 Well Drilling at 2360 West Century Boulevard (DeBenedetti Park) be made to the low bidder, Zim Industries, Inc. of Fresno, California, in the amount of \$208,700.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that the award of the contract for Well 27 Well Drilling at 2360 West Century Boulevard (DeBenedetti Park) be made to the low bidder, Zim Industries, Inc. of Fresno, California, in the amount of \$208,700.

Dated: August 16, 2006

=====

I hereby certify that Resolution No. 2006-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 16, 2006, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. PERRIN
Interim City Clerk

2006-_____



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Awarding Contract for Church Street and Sacramento Street Overlays 2006 Project to George Reed, Inc., of Lodi (\$374,790)

MEETING DATE: August 16, 2006

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council adopt a resolution awarding the contract for the above project to George Reed, Inc., of Lodi, in the amount of \$374,791.

BACKGROUND INFORMATION: This project includes installing a 0.20-foot thick asphalt pavement overlay on Church Street between Lodi Avenue and Lockeford Street and a 0.15-foot thick asphalt pavement overlay on Sacramento Street between Elm Street and Lockeford Street. The work also includes approximately 3,000 tons of asphalt concrete and 3,200 square yards of pavement reinforcement fabric, pavement grinding, pavement striping, signal modifications and other incidental and related work, all as shown on the plans and specifications for the above project. Alternate Bid Items Nos. 2, 3, and 4 are the costs associated with raising Electric Utility vault lids to grade within the pavement.

Plans and specifications for this project were approved on June 7, 2006. The City received the following two bids for this project on July 19, 2006. It is expected that the paving will take place in late September with limited daytime closures. The scheduling will be coordinated with the Farmers Market and Street Faire.

| Bidder | Location | Bid |
|----------------------|----------|------------|
| Engineer's Estimate | | \$422,490* |
| George Reed, Inc. | Lodi | \$374,791* |
| Granite Construction | Stockton | \$582,735* |

* Includes Alternate Bid Items Nos. 2, 3, and 4

FISCAL IMPACT: By investing in the recommended overlay project, significant capital dollars will be saved by extending the useful life of the pavement section.

| | | |
|---------------------------|---|-------------------|
| FUNDING AVAILABLE: | Measure K: | \$415,250 |
| | TDA Streets: | \$51,750 |
| | TDA Bike/Pedestrian: | \$10,000 |
| | Electric Utility: | \$10,000 |
| | Project Estimate (including contingency): | \$487,000 |
| | Budgeted: | 06/07 fiscal year |

Ruby Paiste, Financial Services Manager

Richard C. Prima, Jr.
Public Works Director

Prepared by Mark J. Lindseth, Associate Civil Engineer
RCP/MJL/pmf
cc: City Attorney

Purchasing Officer

Street Superintendent

APPROVED: _____
Blair King, City Manager

RESOLUTION NO. 2006-_____

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING THE
CONTRACT FOR CHURCH STREET AND SACRAMENTO
STREET OVERLAYS 2006 PROJECT

=====

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on July 19, 2006, at 11:00 a.m. for the contract for Church Street and Sacramento Street Overlays 2006 Project, described in the specifications therefore approved by the City Council on June 7, 2006; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof filed with the City Manager as follows:

| <u>Bidder/Location</u> | <u>Bid Amount</u> |
|--------------------------------|--------------------------|
| Engineer's Estimate | \$422,490* |
| George Reed, Inc., Lodi | \$374,791* |
| Granite Construction, Stockton | \$582,735* |

* Includes Alternate Bid Items Nos. 2, 3, and 4

WHEREAS, staff recommends award of the contract for Church Street and Sacramento Street Overlays 2006 Project, be made to the low bidder, George Reed, Inc. of Lodi, California, in the amount of \$374,791, which includes Alternate Bid Items No. 2, 3, and 4.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that the award of the contract for Church Street and Sacramento Street Overlays 2006 Project, be made to the low bidder, George Reed, Inc. of Lodi, California, in the amount of \$374,791, which includes Alternate Bid Items No. 2, 3, and 4.

Dated: August 16, 2006

=====

I hereby certify that Resolution No. 2006-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 16, 2006, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. PERRIN
Interim City Clerk

2006-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Approving Additional Technical Services with Treadwell & Rollo, Inc., and Appropriating Funds (\$235,000)

MEETING DATE: August 16, 2006

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That City Council adopt a resolution approving additional technical services with Treadwell & Rollo, Inc., and appropriating funds.

BACKGROUND INFORMATION: The City has a master agreement with Treadwell & Rollo, Inc., for various technical services pertaining to the PCE/TCE contamination. Staff is requesting the approval of additional funds for ongoing work.

Task 2 – Contingency – This task covers attendance and preparation for mediations, other meetings and work that would lead to additional tasks. The contingency tasks for the Central Plume and the remaining areas should be replenished. These tasks are used for miscellaneous work in responding to technical issues raised by either the Regional Board, City staff or other parties. Staff is requesting an additional \$235,000 for this task, \$20,000 for Central Plume and \$215,000 for the remaining areas. A portion of this requested amount (\$115,000) is to cover overruns that have occurred in this account.

While the above Task 2 is solely support work, Treadwell & Rollo is actively assisting the City in other areas of the PCE/TCE remediation effort. Fieldwork on the dual-phase remediation of the Central Plume has commenced. The first well has been installed and equipment installation is beginning.

FISCAL IMPACT: A portion of the funds are from the Central Plume Settlement (\$20,000). There will be an impact to the water fund for the remaining portion of the contingency task.

FUNDING AVAILABLE:

| | |
|--------------------------|-----------|
| Central Plume Fund (190) | \$20,000 |
| Water Fund (184) | \$215,000 |

Ruby Paiste, Financial Services Manager

Richard C. Prima, Jr.
Public Works Director

Prepared by Rebecca Areida, Management Analyst

RCP/RA/pmf

APPROVED: _____
Blair King, City Manager

RESOLUTION NO. 2006-_____

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING ADDITIONAL TECHNICAL SERVICES WITH
TREADWELL & ROLLO, INC., AND FURTHER
APPROPRIATING FUNDS

=====

WHEREAS, the City has a Master Agreement with Treadwell & Rollo, Inc., for various technical services pertaining to the PCE/TCE Contamination; and

WHEREAS, staff is requesting the approval of additional funds for ongoing work which is described below:

Task 2 – Contingency – This task covers attendance and preparation for mediations, other meetings and work that would lead to additional tasks. The contingency tasks for the Central Plume and the remaining areas should be replenished. These tasks are used for miscellaneous work in responding to technical issues raised by either the Regional Board, City staff or other parties. Staff is requesting an additional \$235,000 for this task, \$20,000 for Central Plume and \$215,000 for the remaining areas. A portion of this requested amount (\$115,000) is to cover overruns that have occurred in this account.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby approves additional technical services with Treadwell & Rollo, Inc., as outlined in the Tasks Order listed above; and

BE IT FURTHER RESOLVED that funds be appropriated as follows:

| | |
|--------------------------|-----------|
| Central Plume Fund (190) | \$ 20,000 |
| Water Fund (184) | \$215,000 |

Dated: August 16, 2006

=====

I hereby certify that Resolution No. 2006-_____ was passed and adopted by the City Council of the City of Lodi in a special meeting held August 16, 2006, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. PERRIN
Interim City Clerk

2006-_____



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Accepting Improvements Under Contract for Elevated Water Tank Recoating Project

MEETING DATE: August 16, 2006

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council accept the improvements under the "Elevated Water Tank Recoating Project" contract.

BACKGROUND INFORMATION: The project was awarded to Redwood Painting Company, of Pittsburg, on February 15, 2006, in the amount of \$58,840.00. This project consisted of cleaning and recoating the exterior surfaces of the elevated water tank, painting three "LODI" logos, and other incidental and related work, all as shown on the plans and specifications for "Elevated Water Tank Recoating Project". The contract has been completed in substantial conformance with the plans and specifications approved by City Council.

The contract completion date was August 8, 2006, and the actual completion date was July 15, 2006. The final contract price was \$111,296.42. The difference between the contract amount and the final contract price is mainly due to a contract change order to paint three logos on the side of the water tank. Council approved the additional cost to paint the logos at its meeting of May 3, 2006.

Following acceptance by the City Council, as required by law, the City Engineer will file a Notice of Completion with the County Recorder's office. The notice serves to notify vendors and subcontractors that the project is complete and begins their 30-day period to file a stop notice requiring the City to withhold payments from the prime contractor in the event of a payment dispute.

FISCAL IMPACT: The expected service life of the tank coating and the artwork is approximately ten to fifteen years. The City should anticipate similar costs associated with maintaining the tank surface every ten to fifteen years.

| | | | |
|---------------------------|------------------|-----------------------------------|--------------|
| FUNDING AVAILABLE: | Budgeted Fund: | Water Utility Capital Outlay Fund | \$58,840.00 |
| | | Art in Public Places | \$52,456.42 |
| | Contract Amount: | | \$111,296.42 |

Ruby Paiste, Financial Services Manager

Richard C. Prima, Jr.
Public Works Director

Prepared by Wesley K. Fujitani, Senior Civil Engineer
RCP/WKF/pmf
cc: Joel Harris, Purchasing Officer
Assistant Water/Wastewater Superintendent
Associate Civil Engineer Chang

APPROVED: _____
Blair King, City Manager

RESOLUTION NO. 2006-_____

A RESOLUTION OF THE LODI CITY COUNCIL ACCEPTING IMPROVEMENTS
UNDER THE CONTRACT FOR THE ELEVATED WATER TANK RECOATING
PROJECT, AND AUTHORIZING AND DIRECTING THE CITY ENGINEER TO FILE
A NOTICE OF COMPLETION WITH THE COUNTY RECORDER

=====

WHEREAS, the contract for the Elevated Water Tank Recoating Project was awarded to Redwood Painting Company of Pittsburg, California, on February 15, 2006, in the amount of \$58,840.00; and

WHEREAS, this project consisted of cleaning and recoating the exterior surfaces of the elevated water tank, painting three "LODI" logos, and other incidental and related work, all as shown on the plans and specifications for "Elevated Water Tank Recoating Project"; and

WHEREAS, the contract has now been completed in substantial conformance with the plans and specifications approved by the City Council.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby accept the improvements under the Elevated Water Tank Recoating Project; and

BE IT FURTHER RESOLVED that the City Engineer is hereby authorized and directed to file a Notice of Completion with the County Recorder's office.

Dated: August 16, 2006

=====

I hereby certify that Resolution No. 2006-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 16, 2006, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. PERRIN
Interim City Clerk

2006-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Accepting Street Improvements along Harney Lane and Cherokee Lane and 24-Foot Wide Public Lanes within The Villas, Tract No. 3400

MEETING DATE: August 16, 2006

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council adopt a resolution accepting street improvements along Harney Lane and Cherokee Lane and 24-foot wide public lanes within The Villas, Tract No. 3400.

BACKGROUND INFORMATION: The Villas development is located at the northwest corner of the Harney Lane/Cherokee Lane intersection and consists of 80 medium-density single-family residential lots. On August 17, 2005, Council accepted the public street improvements in The Villas, Tract No. 3400, as having been completed in substantial conformance with the requirements of the improvement agreement between the City of Lodi and KB Home North Bay, Inc., a California Corporation, as approved by the City Council on December 1, 2004, and as shown on Drawing Nos. 004D017-01 through 004D017-29. This partial acceptance did not include the interior public lanes nor did it include the work done on Harney Lane or Cherokee Lane. The public lanes are 24-foot wide stub streets serving four to seven lots covered with paving stones. These lanes are narrower than typical public streets, and parking is not allowed on them, as previously approved by the Council. However, in order to accept the lanes in accordance with the California Streets and Highways Code, the Resolution notes public convenience and necessity. Having the narrow lanes furthers City and State goals of higher density and more affordable housing.

Acceptance was delayed until the completion of the homes fronting these lanes. These remaining improvements are now complete and staff is recommending Council acceptance of the remainder of the development.

The developer was entitled to reimbursement by the City for the oversizing costs associated with the master plan water mains being constructed with the project. The reimbursement was applied as a credit against Development Impact Mitigation Fees for water facilities in conformance with LMC 16.40 Reimbursements for Construction. Council approved an appropriation of \$25,500 for the required reimbursement at its December 1, 2004 meeting.

The landscape and irrigation improvements installed by this project along Harney Lane and Cherokee Lane (49,960 square feet) are public and will be maintained by the City. The developer is responsible for landscape maintenance until October 16, 2006.

APPROVED: _____
Blair King, City Manager

The streets to be accepted are as follows:

| Streets | Length in Miles |
|--|------------------------|
| Via Marco Lane | 0.02 |
| Masarosa Lane | 0.05 |
| San Pietro Lane | 0.02 |
| Vallini Lane | 0.02 |
| Marano Lane | 0.02 |
| Mercato Lane | 0.02 |
| Felino Lane | 0.03 |
| Palazzo Lane | 0.02 |
| Corfino Lane | 0.03 |
| Harney Lane* | 0.00 |
| Cherokee Lane* | 0.00 |
| Total New Miles of City Streets | 0.23 |

* The street dedications for Harney Lane and Cherokee Lane widen existing streets. These two street dedications did not add additional miles to the City's street system.

FISCAL IMPACT: Per Item 19, "Repair or Reconstruction of Defective Work", of the improvement agreement, the developer's warranty period will begin on the date of Council acceptance. The estimated annual landscape maintenance is \$24,000 and is funded by the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1.

FUNDING AVAILABLE: IMF – Water Facilities \$25,500

Ruby Paiste, Financial Services Manager

Richard C. Prima, Jr.
Public Works Director

Prepared by Wesley K. Fujitani, Senior Civil Engineer

RCP/WKF/pmf

cc: City Attorney
Senior Civil Engineer - Development Services
Senior Traffic Engineer
Street Superintendent (w/attachment)
Senior Engineering Technician
Building Official

RESOLUTION NO. 2006-_____

A RESOLUTION OF THE LODI CITY COUNCIL ACCEPTING A PORTION OF THE
DEVELOPMENT IMPROVEMENTS INCLUDED IN THE IMPROVEMENT AGREEMENT
FOR THE VILLAS, TRACT NO. 3400

=====

The City Council of the City of Lodi finds:

1. That the City Council on August 17, 2005 (Resolution 2005-162) accepted a portion of the requirements of the Improvement Agreement between the City of Lodi and KB Home North Bay, Inc., for public street improvements within the subdivision boundaries of The Villas, Tract No. 3400, shown on Drawing Nos. 004D017-01 through 004D017-29 on file in the Public Works Department and as specifically set forth in the plans and specifications approved by the City Council on December 1, 2004 as substantially complied with; and
2. That the City Council now accepts the Street Improvements along Harney Lane and Cherokee Lane and 24-foot wide public lanes within The Villas, Tract No. 3400; and
3. The public lanes are 24-foot wide stub streets serving four to seven lots covered with paving stones, and these lanes are narrower than typical public streets, and parking is not allowed on them, as previously approved by the Council; and
4. That pursuant to the California Streets and Highways Code §1805, the City Council may, by Resolution passed by a four-fifths vote of its membership, determine that the public convenience and necessity demand the acquisition, construction and maintenance of a street of less than 40 feet.

5. That the streets to be accepted are as follows:

| Streets | Length in Miles |
|--|------------------------|
| Via Marco Lane | 0.02 |
| Masarosa Lane | 0.05 |
| San Pietro Lane | 0.02 |
| Vallini Lane | 0.02 |
| Marano Lane | 0.02 |
| Mercato Lane | 0.02 |
| Felino Lane | 0.03 |
| Palazzo Lane | 0.02 |
| Corfino Lane | 0.03 |
| Harney Lane* | 0.00 |
| Cherokee Lane* | 0.00 |
| Total New Miles of City Streets | 0.23 |

*The street dedications for Harney Lane and Cherokee Lane widen existing streets. These two street dedications did not add additional miles to the City's street system.

Dated: August 16, 2006

=====

I hereby certify that Resolution No. 2006-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 16, 2006, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. PERRIN
Interim City Clerk

2006-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Accepting Improvements at Vintner's Square, Parcel Map No. 002P008 (Corner of Lower Sacramento Road and Kettleman Lane)

MEETING DATE: August 16, 2006

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council adopt a resolution accepting the improvements at Vintner's Square, Parcel Map No. 002P008 at the corner of Lower Sacramento Road and Kettleman Lane.

BACKGROUND INFORMATION: Improvements at Vintner's Square, have been completed in substantial conformance with the requirements of the Improvement Agreement between the City of Lodi and Geweke Family Partnership, dated October 4, 2004, and as specifically set forth in the plans and specifications approved by the City Council on September 15, 2004, and as shown on Drawing Nos. 003D042-01 through 003D042-49.

The streets to be accepted are as follows:

| <u>STREETS</u> | <u>LENGTH IN MILES</u> |
|--|------------------------|
| Westgate Drive | 0.23 |
| Kettleman Lane (SR 12) | 0.00 |
| Lower Sacramento Road | 0.00 |
| TOTAL NEW MILES OF CITY STREETS | 0.23 |

* The street dedications for Kettleman Lane and Lower Sacramento Road widen existing streets. These two street dedications did not add additional miles to the City's street system.

The Improvement Agreement identifies reimbursements due to the developer that have been approved by the City Council and that will be processed at a future date.

FISCAL IMPACT: There will be an increase in street maintenance costs. Landscape maintenance along the street frontage is the responsibility of the project. Future requests of the City Council will seek to include median maintenance in the project responsibilities.

FUNDING AVAILABLE: Not applicable.

Ruby Paiste, Financial Services Manager

Richard C. Prima, Jr.
Public Works Director

Prepared by F. Wally Sandelin, City Engineer
RCP/FWS/pmf

cc: D. Stephen Schwabauer, City Attorney
Chief Building Inspector
Street Superintendent w/map
Geweke Family Partnership

Senior Civil Engineer – Development Services
Senior Engineering Technician – Design
Senior Traffic Engineer

APPROVED: _____
Blair King, City Manager

RESOLUTION NO. 2006-_____

A RESOLUTION OF THE LODI CITY COUNCIL ACCEPTING DEVELOPMENT
IMPROVEMENTS AT VINTNER'S SQUARE, PARCEL MAP NO. 002P008 (CORNER
OF LOWER SACRAMENTO ROAD AND KETTLEMAN LANE) INCLUDED IN THE
IMPROVEMENT AGREEMENT BETWEEN THE CITY OF LODI AND GEWEKE
FAMILY PARTNERSHIP

=====

The City Council of the City of Lodi finds:

1. That all requirements of the Improvement Agreement between the City of Lodi and Geweke Family Partnership for the improvements at Vintner's Square, Parcel Map No. 002P008, located at the corner of Lower Sacramento Road and Kettleman Lane have been substantially complied with. The improvements are shown on Drawing Nos. 003D042-01 through 003D042-49 on file in the Public Works Department and as specifically set forth in the plans and specifications approved by the City Council on September 15, 2004; and

2. That the streets to be accepted are as follows:

| Streets | Length in Miles |
|--|------------------------|
| Westgate Drive | 0.23 |
| Kettleman Lane (SR 12) | 0.00 |
| Lower Sacramento Road | 0.00 |
| Total New Miles of City Streets | 0.23 |

*The street dedications for Kettleman Lane and Lower Sacramento Road widen existing streets. These two street dedications did not add additional miles to the City's street system.

Dated: August 16, 2006

=====

I hereby certify that Resolution No. 2006-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 16, 2006, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. PERRIN
Interim City Clerk

2006-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Wenell Mattheis Bowe for Design Services for the Municipal Service Center (MSC) Transit Vehicle Maintenance Facility (Not to Exceed \$186,700)

MEETING DATE: August 16, 2006

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council adopt a resolution authorizing the City Manager to execute a professional services agreement with Wenell Mattheis Bowe (WMB) for design services for the Municipal Service Center (MSC) Transit Vehicle Maintenance Facility, not to exceed \$186,700.

BACKGROUND INFORMATION: The City maintenance shop facility was constructed in 1972. The shop has undergone numerous low-budget fixes to maintain its functionality, however, there are significant deficiencies in the mechanical and electrical systems, work space, storage and parking for vehicles, as well as new requirements for alternative fuels. Currently, large pieces of equipment, including all the large transit vehicles, can not be serviced within the shop and are instead maintained outside in the yard utilizing portable lifts.

This project will provide approximately 10,000 square feet of maintenance facility space, including work bays for vehicles and buses up to 45 feet long, a welding shop, parts room, storage, offices, and associated staff support spaces. The project was originally included in the FY 05/06 budget and includes funding for design and construction from transit, water and wastewater. Since adoption of the budget, staff has applied for and received an apportionment of San Joaquin County's Public Transit Account (PTA) funds from the State Transportation Improvement Program. This project has been programmed for \$1,850,000 in FY 07/08 and will have to be constructed in that year or risk loss of funds. The remainder of the construction funding will be from impact fees and Transportation Development Act transit capital funds. Staff is requesting Council to authorize the design contract to ensure that the PTA funding can be utilized within the specified time frame.

Staff is recommending awarding the agreement to WMB due to their work on the MSC Master Plan which included preliminary work on the maintenance shop. WMB will be subcontracting with Maintenance Design Group for a portion of the work. This firm specializes in designing maintenance shops and has been highly recommended by others.

FISCAL IMPACT: Failure to award the contract could result in the loss of the PTA funding for construction of the facility.

| | | | |
|---------------------------|-----------------|------|----------|
| FUNDING AVAILABLE: | Transit Fund | 1250 | \$76,700 |
| | Water Fund | 181 | \$55,000 |
| | Wastewater Fund | 171 | \$55,000 |

Ruby Paiste, Financial Services Manager

Richard C. Prima, Jr.
Public Works Director

Prepared by Tiffani M. Fink, Transportation Manager
RCP/TF/pmf
cc: Purchasing Officer

Fleet and Facilities Manager

Transportation Manager

APPROVED: _____
Blair King, City Manager

RESOLUTION NO. 2006-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY
MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT
WITH WENELL MATTHEIS BOWE FOR DESIGN SERVICES FOR THE
MUNICIPAL SERVICE CENTER TRANSIT VEHICLE MAINTENANCE
FACILITY

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a Professional Services Agreement with Wenell Mattheis Bowe for Design Services for the Municipal Services Center Transit Vehicle Maintenance Facility, in an amount not to exceed \$186,700).

Dated: August 16, 2006

=====

I hereby certify that Resolution No. 2006-_____ was passed and adopted by the Lodi City Council in a regular meeting held August 16, 2006, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. PERRIN
Interim City Clerk

2006-_____



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Authorize City Manager to terminate the Lease Option Agreement with Lodi City Center 12, LLC, for the retail space in the Lodi Station Parking Structure

MEETING DATE: August 16, 2006

PREPARED BY: City Manager

RECOMMENDED ACTION: Authorize City Manager to terminate the Lease Option Agreement with Lodi City Center 12, LLC, for the retail space in the Lodi Station Parking Garage.


BACKGROUND INFORMATION: The City of Lodi and Lodi City Center 12, LLC (Optionee), entered into a Master Lease Option Agreement on December 15th, 2004, granting the exclusive right to exercise an option to lease the retail space in the Lodi Station Parking Structure. While the property remained vacant and the Optionee was in the process of hiring a second leasing agent, the City was approached by a group of community members interested in establishing a science museum at the site. The City Manager requested that the City be released from its agreement with the Optionee in a letter sent to Mr. Ed Barkett on June 7, 2006 (Exhibit A), came to an agreement, and went forward to the City Council with a proposal from the World of Wonder Science Museum. A subsequent option and lease with the WOW were drafted and approved by the Lodi City Council on August 2, 2006. This Termination of Master Lease Option Agreement with Lodi City Center 12, LLC formalizes the decision.

FISCAL IMPACT: The City of Lodi Transit Fund will reimburse Lodi Stadium 12, LLC the \$10,000 deposit made as a condition of the lease.

FUNDING AVAILABLE:



Ruby Paiste, Financial Services Manager



Blair King
City Manager

JLH

Attachments

cc: Ed Barkett, Atlas Properties
Tiffani Fink, Transportation Manager

APPROVED: 

Blair King, City Manager

TERMINATION OF MASTER LEASE OPTION AGREEMENT

The City of Lodi, a municipal corporation and Lodi City Center 12, LLC, a California Limited Liability Company hereby agree to terminate the Master Lease Option Agreement dated December 15, 2004 and all rights and obligations created thereunder.

OPTIONEE:

LODI CITY CENTER 12, LLC
By Atlas Properties, Inc.
Its Manager

By: _____
Edward A. Barkett
President

OPTIONOR:

CITY OF LODI, a California
municipal corporation

By: _____
Blair King
City Manager

Attest:

Jennifer M. Perrin
Interim City Clerk

Approved as to Form:



D. Stephen Schwabauer
City Attorney

CITY OF LODI



CITY COUNCIL

SUSAN HITCHCOCK,
Mayor

BOB JOHNSON,
Mayor Pro Tempore

JOHN BECKMAN

LARRY D. HANSEN

JOANNE MOUNCE

BLAIR KING,
City Manager

JENNIFER PERRIN,
Interim City Clerk

D. STEPHEN SCHWABAUER,
City Attorney

CITY HALL, 221 WEST PINE STREET / P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6702 / FAX (209) 333-6807 / www.lodi.gov

June 7, 2006

Mr. Ed Barkett
2800 March Lane, Suite 250
Stockton, CA 95219-8218

Dear Ed,

A group of local residents recently approached the Lodi City Council with a request to lease the vacant retail space in the Lodi Station Parking Structure for use as an interactive science museum. The newly formed non-profit, Lodi Science Museum, has proposed a six-month fundraising/work pledge effort to secure the necessary tenant improvements. If successful, the organization will be given additional time to complete the project and open the museum.

As you are aware, a variety of challenges faces any leasing agent responsible for the marketing of this property. Prospective tenants are reluctant to lease the space until improvements are made to the properties on the west side of the street, while property owners of those properties are reluctant to invest in improvements while the parking structure spaces remain vacant. It may be time to re-evaluate the current strategy and consider a venture that has the potential to significantly increase foot traffic and bring additional customers to the area.

At this time, we ask that the City of Lodi be released from the contract granting Lodi City Center 12 an option to exercise a master lease on the retail space at the Lodi Station Parking Structure. The City is prepared to reimburse your \$10,000 deposit and enter into negotiations with the Lodi Science Museum. If the Museum is unable to secure the funds and pledges within the six-month timeframe, we will then invite you to again consider an option to the master lease.

We look forward to your response and the opportunity to move forward on the Lodi Station project.

Sincerely,

Blair King
City Manager

cc: Steve Schwabauer, City Attorney
Richard Prima, Public Works Director



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Set the Public Hearing for August 30, 2006 for City Council Certification of an Environmental Impact Report (EIR) and approval of General Plan Amendment, Zone Change, Development Agreement, and Annexation to allow development of a single tenant office building (approximately 200,000 sq ft) on 20 acres, general retail commercial uses on 40 acres, 1,084 dwelling units of various densities, and associated public and quasi-public facilities (Reynolds Ranch Project) on a total of 220 acres located on the south side of Harney Lane between State Route 99 and the Union Pacific Railroad (UPRR) to the west. (Applicant; San Joaquin Valley Land Company, File #'s 06-GM-01, 06-EIR-01, 06-AX-01)

MEETING DATE: August 16, 2006

PREPARED BY: Community Development Department

RECOMMENDED ACTION: Set the Public Hearing for August 30, 2006 for City Council Certification of an Environmental Impact Report (EIR) and approval of General Plan Amendment, Zone Change, Development Agreement, and Annexation to allow development of a single tenant office building (approximately 200,000 sq ft) on 20 acres, general retail commercial uses on 40 acres, 1,084 dwelling units of various densities, and associated public and quasi-public facilities (Reynolds Ranch Project) on a total of 220 acres located on the south side of Harney Lane between State Highway 99 and the Union Pacific Railroad (UPRR) to the west. (Applicant; San Joaquin Valley Land Company, File #'s 06-GM-01, 06-EIR-01, 06-AX-01)

BACKGROUND INFORMATION: The proposed Blue Shield/Reynolds Ranch project would permit the development of a mixed-use project at the south west corner of the intersection of Harney Lane and State Route 99. A total of 350,00 square feet of commercial uses on 40 acres are proposed along with a 200,00 square foot Blue Shield office building on 20 acres. Additional development on the 220 acre project site includes residential uses (1084 dwelling units at various densities), public park, K-8 public school, a fire station, self storage facility, detention basins, trails and an open space network. To implement the proposed project, the City Council must consider: Certification of an Environmental Impact Report (EIR); a General Plan Amendment; a Zone Change; and Annexation to the City of Lodi. Also before the Council is approval of a Development Agreement for the project.

FISCAL IMPACT: None

FUNDING AVAILABLE: Not Applicable

Randy Hatch
Community Development Director

cc: City Attorney

APPROVED: _____
Blair King, City Manager



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Set public hearing for September 6, 2006 to hear two appeals of a Planning Commission's site and architectural plan approval for the Vineyard Christian Middle School at 2301 West Lodi Avenue. (Appellants; Vineyard Christian Middle School and Dave Johnson & Others, regarding File# 06-SP-06)

MEETING DATE: August 16, 2006

PREPARED BY: Community Development Department

RECOMMENDED ACTION: Set public hearing for September 6, 2006 to hear two appeals of a Planning Commission's site and architectural plan approval for the Vineyard Christian Middle School at 2301 West Lodi Avenue. (Appellants; Vineyard Christian Middle School and Dave Johnson & Others, File# 06-SP-06)

BACKGROUND INFORMATION: At their meeting of July 26, 2006, the Lodi City Planning Commission held a Public Hearing to hear an appeal of the Lodi Site Plan and Architectural Review Committee (SPARC) approval regarding re-configuration of the school buildings, elimination of the northern driveway and use the middle driveway. Following extensive public testimony and discussion, the Planning Commission voted 4-2 (Commissioners Kiser and Moran voting No and Commissioner Cummins absent) to deny the appeal affirming the approval of SPARC and adding/modifying four conditions of approval regarding wall/fencing, landscaping, on-site circulation and architectural enhancements.

The Vineyard Christian Middle School (Applicant) has appealed this action. Specifically they are appealing the condition requiring the block wall and landscaping to be completed before the school can occupy the buildings. They are requesting temporary occupancy be allowed giving the school 60 days to complete the wall and landscaping. It should be noted that once a project is appealed, any related issue can be considered at the appeal, it is a totally new hearing considering all site plan and architectural issues.

Dave Johnson & Others (opponents) have also appealed this action. Specifically they are appealing the parking lot layout as it pertains to the northern most driveway. In addition they are protesting the applicant's violation of the condition B, requiring all work to be subject to the building permit process.

FISCAL IMPACT: None

FUNDING AVAILABLE: Not Applicable

Randy Hatch
Community Development Director

cc: City Attorney

APPROVED: _____
Blair King, City Manager

Comments by the public on non-agenda items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted.

Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

Comments by the City Council Members on non-agenda items



CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Consideration of a Development Moratorium

MEETING DATE: August 16, 2006 City Council Meeting

PREPARED BY: City Manager/City Attorney's Office

RECOMMENDED ACTION: The City Council may take one of the following actions:

- 1) The Council may immediately adopt by a four-fifths vote an urgency measure to prohibit for 45-days the approval of any new development applications. Such an urgency ordinance requires a subsequent public hearing and adoption of findings after which the ordinance may be extended for 10 months 15 days; or
- 2) The Council may first call for a public hearing on a proposed 45-day interim ordinance to prohibit new development, which must be subsequently adopted by a four-fifths vote, and direct the City Attorney to prepare draft findings for Council consideration. Such an urgency ordinance can be extended for 22 months and 15 days.

BACKGROUND INFORMATION: At the Council Meeting of August 2, 2006, Mayor Susan Hitchcock requested that the Council consider a moratorium on development. In accordance with Lodi Municipal Code, and the Council Protocol Manual adopted March 15, 1006, any member of the City Council may place an item on the agenda for consideration subject to the City Manager's discretion as to the preparation of an accompanying staff report.

To respond to the Mayor's request in a timely manner, her request for consideration of a development moratorium is before the Council. A staff report regarding the merits or consequences of a moratorium has not been prepared.

Government Code Section 65858, authorizes a city to adopt, as an urgency measure, an interim ordinance if it can by four-fifths vote find that such a measure is necessary to protect public safety, health, and welfare. The interim zoning ordinance would prohibit the approval of any use which may be in conflict with a planning or zoning proposal that a city is considering adopting within a reasonable time. Such a moratorium requires no public hearing, and is effective for only 45 days.

However, after notice and a hearing, at which the Council must again make findings that the interim ordinance protects public safety, health, and welfare, the City Council may extend the interim ordinance for 10 months and 15 days. The ordinance may again be extended for another year. Extensions require findings and a four-fifths vote.

In the alternative, an interim 45-day ordinance may be adopted by a four-fifths vote with the same finding as noted above following a noticed public hearing, which can be extended after notice and hearing, by a four-fifths vote for 22 months and 15 days.

All "urgency" ordinances are limited by statute to a two-year period.

APPROVED:

 Blair King, City Manager

Additional prohibitions apply to moratoriums which would have a specific adverse impact upon continued approval of the development of multifamily housing projects.

Urgency Ordinances can be adopted for 45-days without a hearing presumably based on the assumption that once the development community hears a moratorium is proposed, or a downzoning is being contemplated, an influx of applications could occur. Also, according to the sources referred to for the preparation of this memorandum, moratoria cannot be used to prohibit the processing of development applications. The City of San Juan Capistrano's interim ordinance was held invalid to the extent that it applied to processing development applications.

Further analysis will be provided at the Council Meeting on the effect a moratorium may have on the City's approved Housing Element.

Note: Curtin's California Land Use and Planning Law, 2004 Edition, Solano Press Books, and Gov't Code Section 65858 were used as sources for the information provided in this memorandum.

FISCAL IMPACT: Not analyzed for this memorandum.

Blair King
City Manager

D. Stephen Schwabauer
City Attorney



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Introduce Ordinance amending Lodi Municipal Code Title 5 Permits and Regulations by adding Chapter 5.25 "Pedicabs".

MEETING DATE: August 16, 2006

PREPARED BY: City Manager

RECOMMENDED ACTION: Introduce Ordinance amending Lodi Municipal Code Title 5 Permits and Regulations by adding Chapter 5.25 "Pedicabs".

BACKGROUND INFORMATION: A permit to operate a transportation service using pedicabs (part bicycle, part open air carriage) in the City of Lodi has been requested and necessitates this amendment.

A pedicab is defined as a bicycle that has three or more wheels, that pulls a trailer, sidecar, or similar device, that is operated by an individual, and is used for transporting passengers for receipt of any form of consideration. This amendment dictates the guidelines, restrictions, and requirements necessary to ensure the safety of riders, operators, and the public in general.

Under this ordinance, an operator of pedicab services would be required to purchase a Business License as well as a pedicab operating permit, renewed annually, in order to operate within the City of Lodi. Additional requirements include proof of public liability insurance in the minimum limits of \$100,000 for injury or death to any person and \$300,000 for injury or death of more than one person in the same accident, public liability insurance for property damaged in the minimum amount of \$50,000 (equal to requirements for taxicabs per Lodi Municipal Code), a valid California driver's license, and fingerprinting. The insurance policy should also be endorsed to provide a hold harmless clause in favor of the City. Applicants convicted of a crime involving moral turpitude, or narcotics or convicted of hit and run, driving a vehicle recklessly or while under the influence within the prior seven years would be denied permission to operate.

Once a permit is granted, the City will issue an identification badge to be worn by the driver, in a manner clearly visible to the public, while operating a pedicab. In addition, a pedicab decal, also renewable annually, shall be purchased and affixed to each vehicle operating on city streets. The decals are issued following inspection of the pedicabs to insure compliance with the ordinance regulations. The cost for the pedicab operating permit and decal will be set by the City Council. Required features for the vehicle include battery-operated headlights and taillights, seatbelts for all passengers, and those requirements related to bicycles listed in California Vehicle Code section 21201.

FISCAL IMPACT: An integral component of the City's Economic Development strategic plan is the promotion of Lodi as a tourist destination. Attractions include the burgeoning wine industry, performing and visual arts venues, an extensive parks system that offers an array of recreational activities, and a

APPROVED: _____
Blair King, City Manager

unique, revitalized downtown district. In order to thrive as a tourist attraction, Lodi's historic downtown must continue to promote features such as entertainment, wine tasting, and specialty retail. A pedicab service would provide a financial benefit to the City as it would enhance Lodi's image as a tourist destination.

FUNDING AVAILABLE:

Ruby Paiste, Financial Services Manager

Blair King
City Manager

JLH

Attachments

:

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI
AMENDING LODI MUNICIPAL CODE TITLE 5 – PERMITS AND
REGULATIONS BY ADDING CHAPTER 5.25 “PEDICABS”

=====

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LODI AS FOLLOWS:

SECTION 1. Lodi Municipal Code Title 5 – Permits and Regulations is hereby amended by adding Chapter 5.25 “Pedicabs” to read as follows:

Chapter 5.25 PEDICABS

Section:

- 5.25.010 Purpose.
- 5.25.020 Definitions.
- 5.25.030 Permit Requirement to Operate Pedicab.
- 5.25.040 Application for Pedicab Operating Permit.
- 5.25.050 Pedicab Operating Permit Fee.
- 5.25.060 Duration of Validity of Pedicab Operating Permit.
- 5.25.070 Pedicab Operating Permit Renewal.
- 5.25.080 Denial of Pedicab Operating Permit.
- 5.25.090 Suspension or Revocation of Pedicab Operating Permit.
- 5.25.100 Identification Badges Issued to Pedicab Operators with a Pedicab Operating Permit.
- 5.25.110 Pedicab Decal.
- 5.25.120 Application for Pedicab Decal.
- 5.25.130 Requirements for Issuance of Pedicab Decal.
- 5.25.140 Pedicab Decal Fee.
- 5.25.150 Duration of Validity of Pedicab Decal.
- 5.25.160 Pedicab Decal Renewal.
- 5.25.170 Denial of Pedicab Decal for Failure to Comply with Chapter.
- 5.25.180 Suspension or Revocation of Pedicab Decal.
- 5.25.190 Other Laws Applicable to Pedicab Owners and Operators.
- 5.25.200 Report of Accidents.
- 5.25.210 Minimum Age for Pedicab Operators.
- 5.25.220 Driver's License Requirement to Operate Pedicab.
- 5.25.230 Business License Requirement to Operate Pedicab.
- 5.25.240 Equipment Regulations for the Operation of Pedicabs.
- 5.25.250 Insurance Requirements.
- 5.25.260 Fare Schedule.
- 5.25.270 Right of Appeal from Denial of Issuance of Pedicab Operating Permit or Decal.
- 5.25.280 Right of Appeal from Suspension or Revocation of Pedicab Operating Permit or Decal.
- 5.25.290 Procedure Upon Appeal.
- 5.25.300 Enforcement Authority.
- 5.25.310 Enforcement Remedies.
- 5.25.320 Strict Liability Offenses.
- 5.25.330 City Held Harmless.
- 5.25.340 General Pedicab Operation.

5.25.010 Purpose.

The City Council finds that regulations governing pedicabs, operators, and owners are necessary to protect the general safety and welfare of passengers using pedicabs for hire and pedestrians within the City.

5.25.020 Definitions.

For purposes of this Chapter, the following terms are defined as follows:

- A. "City Clerk" means the City Clerk for the City of Lodi or his or her designee.
- B. "Decal" means the numbered decal issued by the City of Lodi to a pedicab owner for display on the pedicab to indicate that the pedicab is permitted to operate.
- C. "Identification Badge" means a badge that identifies the operator with a color passport-size photo.
- D. "Operates with the city" means the soliciting, accepting, picking-up or embarking within the city of a passenger or passengers for transportation or conveyance to any point within or without the city for receipt of any form of consideration.
- E. "Operator" means any individual who operates a pedicab whether as an owner, an employee of the owner or as an independent contractor within the City of Lodi.
- F. "Owner" means any person who owns, leases or otherwise has possession of a pedicab.
- G. "Pedicab" means:
 - 1. A bicycle (as defined by the California Vehicle Code) that has three or more wheels, that transports, or is capable of transporting, passengers on seats attached to the bicycle, that is operated by an individual, and that is used for transporting passengers for receipt of any form of consideration; or
 - 2. A bicycle (as defined by the California Vehicle Code) that pulls a trailer, sidecar, or similar device, that transports, or is capable of transporting, passengers on seats attached to the trailer, sidecar, or similar device, that is operated by an individual, and that is used for transporting passengers for receipt of any form of consideration.
- H. "Pedicab operating permit" means a written permit issued by the City of Lodi authorizing a person to operate a pedicab.
- I. "Person" means both singular and plural, and shall mean any individual, firm, corporation, association, partnership, or society exclusive of public agencies.
- J. "Police Chief" means the Chief of Police for the City of Lodi or his or her designee.

5.25.030 Permit Requirement to Operate Pedicab.

It shall be unlawful for any person to operate a pedicab within the city without first having obtained a pedicab operating permit issued by the city pursuant to this chapter. Pedicab operating permits are the property of the city and are not transferable to any other operator.

5.25.040 Application for Pedicab Operating Permit.

- A. Before operating a pedicab, an applicant shall apply for a pedicab operating permit in person.
- B. The pedicab operating permit application form shall be in a form prescribed by the city clerk.
- C. The applicant shall provide the following information to complete the application under oath or affirmation:
 - 1. The applicant's full name and residence address;
 - 2. The applicant's date of birth; and
 - 3. The applicant's valid California driver's license.
- D. The applicant shall provide the following material to complete the application:
 - 1. Proof that the applicant is eighteen years or older;
 - 2. Proof of ability to drive lawfully in the United States;
 - 3. Proof of a valid City of Lodi business license;
 - 4. A complete set of fingerprints;
 - 5. Two recent color passport-sized photographs; and
 - 6. Such other material as the city clerk may require to evaluate the fitness of the applicant to be granted a pedicab operating permit.
- E. Each applicant must sign the application which shall contain a warning that the application may be denied or the permit suspended or revoked if the applicant misrepresents facts relevant to the fitness of the applicant to be granted a pedicab operating permit.
- F. The city clerk shall investigate the facts stated in an application for a pedicab operating permit and other relevant data.
- G. When an application has been denied, the applicant may not reapply for a pedicab operating permit within three hundred sixty five (365) days from the date of denial, unless denial is without prejudice.

5.25.050 Pedicab Operating Permit Fee.

The city shall charge a nonrefundable fee to recover the cost of activities associated with the administration, regulation, and issuance of pedicab operating permits as may from time to time be determined by the city council.

5.25.060 Duration of Validity of Pedicab Operating Permit.

Pedicab operating permits shall be valid for a period of one year from date of issuance.

5.25.070 Pedicab Operating Permit Renewal.

Pedicab operating permits shall be renewable annually upon filing and approval of a new application and payment of a pedicab operating permit fee as determined by the city council.

5.25.080 Denial of Pedicab Operating Permit.

The city clerk may deny issuance of a pedicab operating permit if an applicant:

- A. Fails to comply with the requirements of this chapter;
- B. Misrepresents facts relevant to the fitness of the applicant;
- C. Does not possess a valid driver's license issued by State of California;
- D. Has any type of driving restrictions issued by the State of California;
- E. Is currently required to register pursuant to California Penal Code section 290;
- F. Has been convicted of a crime involving moral turpitude, or narcotics; or
- G. Has been convicted for hit and run, driving a vehicle recklessly or while under the influence of intoxicating alcohol or drugs within the seven (7) years immediately preceding application for a pedicab operating permit.

5.25.090 Suspension or Revocation of Pedicab Operating Permit.

- A. The city clerk may suspend, for a period not to exceed thirty (30) days, and may revoke a pedicab operating permit if the operator:
 - 1. Misrepresents facts relevant to the fitness of the operator if such misrepresentation becomes known after a permit has been issued;
 - 2. Violates the traffic laws of the City, County or State;
 - 3. Is convicted for misdemeanor reckless driving;
 - 4. Drives a pedicab known to the operator not to be in good order and repair;
 - 5. Knowingly falsifies material and relevant facts on an application for a pedicab operating permit;
 - 6. Is convicted or pleads nolo contendere to the violation of any law involving alcohol;

7. Is convicted or pleads nolo contendere to the violation of any law involving moral turpitude;
 8. Operates any vehicle in a manner which constitutes a misdemeanor under the laws of the State of California; or
 9. Repeatedly fails to comply with the applicable provisions of this chapter or the rules and regulations prescribed by the city clerk.
- B. The city clerk shall immediately suspend, for a period not to exceed thirty (30) days, and may revoke a pedicab operating permit of any operator upon the receipt of information reasonably sufficient and reliable to establish that the operator has committed a violation of law involving:
1. A felony;
 2. A sex offense;
 3. Soliciting for prostitution;
 4. A narcotics offense; or
 5. Has had a license to drive issued by the State of California either suspended or revoked by the State.
- C. The city clerk shall immediately revoke the pedicab operating permit if that operator has been found guilty by final judgment of a court of competent jurisdiction of a violation of the law involving:
1. A felony;
 2. A sex offense;
 3. Soliciting for prostitution; or
 4. A narcotics offense.
- D. Upon suspension or revocation, the operator shall immediately surrender the pedicab operating permit to the city clerk. In the event of suspension, the city clerk shall return the pedicab operating permit to its operator immediately after termination of the suspension period.

5.25.100 Identification Badges Issued to Pedicab Operators With a Pedicab Operating Permit.

- A. The city shall issue an identification badge to an individual after that individual has been issued a pedicab operating permit.
- B. While the pedicab is in operation, the pedicab operator shall wear the identification badge at all times on his or her person, in a manner clearly visible to the public.
- C. It shall be unlawful for a pedicab operator to fail to wear an identification badge, in a manner clearly visible to the public, while operating a pedicab.
- D. Identification badges are the property of the city and are not transferable to any other operator. In the event that an operator's pedicab operating permit is suspended or revoked, the operator shall also immediately surrender the

identification badge to the city clerk. In the event of a suspension, the city clerk shall return the identification badge to its holder immediately after termination of the suspension period.

5.25.110 Pedicab Decal.

- A. It shall be unlawful for any owner to lease, rent, or allow a pedicab to be operated for hire within the city without first having obtained a decal issued pursuant to this chapter. The decal shall be affixed to the pedicab on the rear or back side of the pedicab in a manner clearly visible to the public.
- B. It shall be unlawful for any person to operate a pedicab that does not have a valid decal affixed to it.
- C. Decals are the property of the city and are not transferable to any other pedicab.

5.25.120 Application for Pedicab Decal.

- A. Before allowing a pedicab to be operated for hire, an owner shall obtain a pedicab decal.
- B. The pedicab decal application form shall be prescribed by the city clerk.
- C. The applicant shall provide the following information to complete the application:
 - 1. The full name and address of the applicant;
 - 2. The name and address of all legal and registered owners of the pedicab; and
 - 3. A description of the pedicab, including trade name, if any, serial number or owner identification number, and body style;
 - 4. Seating capacity of the pedicab;
 - 5. Route(s) or area(s) over which the applicant proposes to operate the pedicab; and
 - 6. Proof of insurance in accordance with Section 5.25.250 of this Chapter.

5.25.130 Requirements for Issuance of Pedicab Decal.

Pedicab decals will be issued only when a pedicab meets all of the following requirements:

- A. A battery-operated headlight capable of projecting a beam of white light for a distance of 300 feet shall be permanently affixed to the pedicab;
- B. Battery-operated taillights shall be permanently affixed on the right and the left, respectively, at the same level on the rear exterior of the passenger

compartment. Taillights shall be red in color and plainly visible from all distances within 500 feet to the rear of the pedicab;

- C. Side-mounted rearview mirrors affixed to the right and left side of the pedicab so located as to reflect to the driver a view of the street for a distance of at least 200 feet to the rear of the pedicab.
- D. Seat belts for each available passenger seat; and
- E. Those requirements related to bicycles as set forth in California Vehicle Code Section 21201.

5.25.140 Pedicab Decal Fee.

The City shall charge a nonrefundable fee to recover the cost of activities associated with the administration, regulation, and issuance of pedicab decals.

5.25.150 Duration of Validity of Pedicab Decal.

Pedicab decals shall be valid for a period of one year from date of issuance.

5.25.160 Pedicab Decal Renewal.

Pedicab decals shall be renewable annually upon filing of a new application and payment of a pedicab decal fee.

5.25.170 Denial of Pedicab Decal for Failure to Comply with Chapter.

The city may deny issuance of a pedicab decal if the city clerk determines that the pedicab does not meet the requirements of this chapter or applicable state law.

5.25.180 Suspension or Revocation of Pedicab Decal.

- A. Decals may be suspended by the city clerk for a period of one to thirty days or revoked at any time if the owner:
 - 1. Fails to comply with the applicable provisions of this chapter;
 - 2. Fails to maintain insurance as required by Section 5.25.250;
 - 3. Fails to notify the city clerk thirty (30) days prior to the effective date of liability insurance cancellation or change of insurer;
 - 4. Fails to maintain pedicabs in good order and repair as prescribed herein;
 - 5. Provides false statements on an application for a decal;
 - 6. Fails to pay any fees or damages lawfully assessed upon the ownership or operation of any pedicab licensed under this chapter; or

7. Violates any of the provisions of this chapter or any applicable city, state, or federal laws, rules, or regulations.
- B. Decals which have been suspended shall forthwith be surrendered to the city clerk for a period covering the term of suspension. The city clerk shall return the decal to its holder immediately after termination of the suspension period.
- C. Decals which have been revoked shall forthwith be surrendered to the city clerk by the holder thereof.
- D. The city clerk shall notify in writing and by certified mail, any decal holder whose permit has been suspended or revoked. Such notice shall state any and all reasons for such action as well as all laws or regulations violated by the decal holder.

5.25.190 Other Laws Applicable to Pedicab Owners and Operators.

Pedicab owners and operators are subject to all applicable city, county, state, and federal laws, rules, and regulations.

5.25.200 Report of Accidents.

Each holder of a pedicab decal and pedicab operating permit involved in any accident resulting in property damage or personal injury of any kind, shall within forty-eight (48) hours thereof give written report thereof to the city clerk. A copy of a report required under state law shall be deemed sufficient for such purposes; otherwise, such report shall contain all information required with respect to reports otherwise required under state law.

5.25.210 Minimum Age for Pedicab Operators.

It is unlawful for any individual under the age of eighteen to operate a pedicab.

5.25.220 Driver's License Requirement to Operate Pedicab.

- A. It is unlawful for any individual without a motor vehicle driver's license issued by the State of California to operate any pedicab within the city.
- B. While the pedicab is in operation, the pedicab operator shall have his or her valid driver's license on his or her person at all times.

5.25.230 Business License Requirement to Operate Pedicab.

It shall be unlawful for a person to operate a pedicab without first obtaining a business license from the city.

5.25.240 Equipment Regulations for the Operation of Pedicabs.

- A. It shall be unlawful for any person to operate, or cause to be operated, a pedicab which fails to meet the equipment requirements of section 5.25.130 of this chapter.

5.25.250 Insurance Requirements.

In order to ensure the safety of the public, it is unlawful for any person who owns a pedicab to allow it to be operated or driven or to obtain a permit for its operation under this chapter unless and until said person has complied with the provisions of this section.

- A. The owner or operator of any pedicab operated under this chapter must secure his or her ability to answer to any claim for damage to person or property which may arise against him or her by reason of the operation of said pedicab as follows:
 - 1. Public liability insurance in the minimum limits of \$100,000 for injury or death to any person and \$300,000 for injury or death of more than one person in the same accident;
 - 2. Public liability insurance for property damage in the minimum amount of \$50,000 for any one occurrence;
 - 3. The policy of insurance is endorsed to provide a hold harmless clause in favor of the city;
 - 4. The policy provide that 30-days notice of cancellation of insurance be sent to the city clerk; and
 - 5. A certificate evidencing insurance shall be filed with the City Clerk and the risk manager for the city, and must name the city, its officers, agents and employees as additional insureds.
- B. The insurance required under this section shall remain in full force, at a level at least equal to the minimum requirements set forth above, or the pedicab decal will be subject to revocation or suspension pursuant to this chapter.

5.25.260 Fare Schedule.

- A. Every pedicab shall have permanently affixed to the outside thereof, in a place readily to be seen by passengers, a frame covered with clear plastic, or similar material, enclosing a card upon which shall be printed in plain, legible letters the schedule of rates authorized for carriage in such pedicab.
- B. It is unlawful for an operator to deceive any passenger who rides in the vehicle, or who expresses a desire to ride in such vehicle, as to that passenger's destination or the rate to be charged.
- C. It is unlawful for any operator to demand from a passenger a fare greater than the fare contained in the posted fare schedule.
- D. Section 5.25.260(C) does not apply to fares for special tours, provided that the fare for the special tour is agreed upon between the passenger and the operator prior to the beginning of the tour.

5.25.270 Right of Appeal from Denial of Issuance of Pedicab Operating Permit or Decal.

- A. The city clerk shall notify the applicant that the issuance of his or her pedicab operating permit or decal has been denied. The city clerk shall also notify the applicant of the right to appeal the denial to the city manager. Any written appeal shall be filed with the city clerk within ten (10) calendar days after service of notice of denial. Service shall be by regular postal service or personal delivery. The applicant shall set forth in the appeal the reason why the denial is not proper.
- B. If no appeal is filed within the time allowed, the decision of the city clerk to not issue the pedicab operating permit or decal shall be considered final.
- C. The city manager shall direct an appeal to be heard within fifteen (15) days after a notice of appeal is filed with the city clerk as required by this section.
- D. A denial shall remain in effect until a duly filed appeal is heard by a hearing officer under the procedures set forth in section 5.25.290.

5.25.280 Right of Appeal from Suspension or Revocation of Pedicab Operating Permit or Decal.

- A. The city shall notify the pedicab operator or owner that his or her pedicab operating permit or decal has been suspended or revoked. The city clerk shall also notify the pedicab owner or operator of the right to appeal the suspension or revocation to the city manager. Any written appeal shall be filed within ten (10) calendar days after service of notice of suspension or revocation. The pedicab operator or owner shall set forth in the appeal the reason why the suspension or revocation is not proper.
- B. If no appeal is filed within the time allowed, the pedicab operating permit or decal shall be considered suspended or revoked and the pedicab operator or owner shall immediately surrender the pedicab operating permit or decal to the city clerk in the manner prescribed by the city clerk.
- C. Once a timely appeal is filed, the suspension or revocation of the operating permit or decal shall be stayed pending the final determination by the hearing officer as set forth in section 5.25.290.

5.25.290 Procedure Upon Appeal.

- A. If an applicant served with a notice of denial, suspension, or revocation chooses to appeal, he or she shall file an appeal within ten (10) calendar days from the service of the notice from the city clerk.
- B. Appeals to the city manager:
 - 1. Any decision of the city clerk which is a denial to issue or a suspension or revocation of any pedicab operating permit or decal shall not become final until fifteen (15) days after the date of transmittal of the written notice to the person affected by such decision, during which period the party to the action may appeal the decision in the manner provided herein at any time prior to the expiration date of the fifteen (15) day period. If no appeal is taken before the expiration of the fifteen (15) day period, the decision of the city clerk shall be final.

2. The appeal of any decision shall be in writing signed by the party to the action briefly setting forth the reasons why such decision is not proper, stating an address at which the appellant will receive notices and filed with the city clerk.
 3. The city clerk shall upon receipt of the appeal set the matter for hearing before a hearing officer. The hearing officer shall be an attorney or recognized mediator designated by the city attorney. The hearing shall be scheduled for not more than thirty (30) calendar days after receipt of the appeal unless a longer time is requested or consented to by the appellant.
 4. The hearing shall not be conducted under the formal Rules of Evidence, but shall be subject to such standards of procedure and evidence as reasonable people would utilize in the conduct of serious business.
 5. The appellant (or a representative) shall have the right to present his or her case in person.
 6. The hearing officer shall consider the case record as well as any statements offered by interested parties. The hearing will be conducted according to administrative rules relating to evidence and witnesses as set forth in Chapter 1.10 of this code.
 7. If the hearing officer refuses to issue or restore a pedicab operating permit or decal, the party to the action, or such party's agent, shall not file a new application within three hundred sixty five (365) days from the date of final action by the hearing officer.
 8. If the hearing officer suspends a pedicab operating permit or decal, the city clerk shall determine a period of suspension of not more than thirty (30) days.
 9. If the hearing officer's action is to grant or restore a decal or permit, the hearing officer shall direct the city clerk to issue or restore the certificate or license.
- C. Any party dissatisfied with the decision of the hearing officer may carry the matter forward under the provisions for administrative mandamus (Code of Civil Procedure Section 1094.5) as it now exists or may later be amended.

5.25.300 Enforcement Authority.

The city is authorized to administer and enforce the provisions of this chapter. The city may exercise any enforcement powers as provided in this code.

5.25.310 Enforcement Remedies.

Any person violating the provisions of this chapter is guilty of an infraction, unless otherwise noted, punishable on conviction as set forth in Chapter 1.08 of this code. The city attorney may also seek injunctive relief and civil penalties in the superior court for violations of the provisions of this chapter.

5.25.320 Strict Liability Offenses.

Violations of this chapter shall be treated as strict liability offenses.

5.25.330 City Held Harmless.

A decal holder shall, and by acceptance of the decal does, agree to hereby indemnify and hold the City of Lodi, its officers, employees and agents from any and all damages, claims, liabilities, costs, suits, or other expense resulting from and arising out of said decal holder's operations.

5.25.340 General Pedicab Operation.

- A. Any pedicab permitted by the city as a pedicab shall be operated according to the pedicab provisions of this chapter and the applicable provisions of the California Vehicle Code governing the operation of bicycles.
- B. Each operator shall carry in the vehicle a current map of the city. Upon request, the operator shall make the map available to the passenger.
- C. Every pedicab while in operation for the solicitation or transportation of passengers shall be attended by the operator at all times except when such operator is actually engaged in loading or unloading the vehicle, or in answering telephones in connection with the business.
- D. An operator shall not leave the pedicab operating permit in an unattended or unsecured pedicab.
- E. No owner or operator of a pedicab shall knowingly permit such pedicab to be used for unlawful purposes or knowingly to transport persons therein to places for such purposes. Violation of this provision is a misdemeanor under this Chapter.
- F. Every pedicab operating under this chapter must be inspected by the police department for the city at such intervals as may be established by the chief of police, to insure the continued maintenance of safe operating conditions.
- G. Every person owning or operating, or causing to be operated, any pedicab under this chapter must thoroughly wash each pedicab, when so operated, at least once a week, and shall also sweep and clean each of said pedicabs daily.
- H. It shall be unlawful for any person operating, or causing to be operated, any pedicab to permit the same to remain standing upon the street for the purpose of loading or unloading passengers unless the side of the pedicab is within a legal parking stall or other designated loading zone.

SECTION 2. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 3. No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 4. Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council

hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 5. This ordinance shall be published one time in the "Lodi News-Sentinel," a daily newspaper of general circulation printed and published in the City of Lodi and shall take effect thirty days from and after its passage and approval.

Approved this _____ day of _____, 2006

SUSAN HITCHCOCK
Mayor

Attest:

JENNIFER M. PERRIN
Interim City Clerk

=====
State of California
County of San Joaquin, ss.

I, Jennifer M. Perrin, Interim City Clerk of the City of Lodi, do hereby certify that Ordinance No. ____ was introduced at a regular meeting of the City Council of the City of Lodi held August 16, 2006, and was thereafter passed, adopted and ordered to print at a regular meeting of said Council held _____, 2006, by the following vote:

AYES: COUNCIL MEMBERS –
NOES; COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. ____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

JENNIFER M. PERRIN
Interim City Clerk

Approved as to Form:

D. STEPHEN SCHWABAUER
City Attorney

By _____
Janice D. Magdich
Deputy City Attorney



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Resolution to Adopt an Alternative Retirement System for Part Time, Seasonal, and Temporary Employees

MEETING DATE: August 16, 2006

PREPARED BY: Kirk J. Evans, Risk Manager

RECOMMENDED ACTION:

- 1) Adopt the resolution to participate in the Public Agency Retirement System (PARS) as an alternative retirement plan in lieu of Social Security for part-time, seasonal, and temporary employees effective the first full pay period in September 2006.
- 2) Approve the funding and contribution split whereby the City will pay administration costs and employees pay a 7.5% contribution rate.
- 3) Authorize the City Manager to sign the agreement for Administrative Services (Exhibit B).

BACKGROUND INFORMATION: At the Shirtsleeve Session of Tuesday, May 9th, 2006, the Deputy City Manager presented an overview of the Alternate Retirement System to the City Council. He promised to return to a regular City Council meeting with the necessary documents required to implement a defined contribution system and for hiring a trustee to administer the plan.

In 1990, the Federal government mandated through enactment of the Omnibus Budget Reconciliation Act (OBRA 90) that in addition to retirement programs offered to regular, full-time employees, public agencies must also provide for retirement benefits for its part-time seasonal and temporary employees (PST's). After the passage of OBRA, the City chose to enroll its part-time, seasonal and temporary employees in Social Security.

For PST's, the City of Lodi participates in the federal Social Security System - FICA, and contributes 12.4% of an employee's annual salary (6.2% employer contribution and an additional 6.2% on behalf of the employees). The City of Lodi has approximately 300 currently active PST's. In FY 2005-06 payroll for those PST's enrolled in Social Security totaled approx. \$964,500.

Staff has researched the Alternate Retirement System concept and determined the benefits for the City and affected employees to participate in an alternative plan. We have contacted the City's three deferred compensation providers to determine whether they are capable or interested in providing an alternative retirement plan and not received an enthusiastic response. Staff is recommending that the City Council consider the Public Agency Retirement System (PARS) as an alternative plan in lieu of Social Security for PST's. PARS, founded in 1990, provides an alternative retirement plan that satisfies federal requirements and includes 145 participating public agencies in California. The PARS plan will significantly reduce costs for the City of Lodi.

APPROVED: _____
Blair King, City Manager

PARS Benefits

There are several benefits for PST's associated with participation in the PARS retirement program as an alternative to Social Security. Specifically:

- 1) PARS contributions are pre-tax. Social Security is post-tax and requires that the employee make contributions after taxes are paid. This results in greater net take home pay for the employee.
- 2) PARS plan participants are fully vested in their individual accounts. All employee contributions are held in Trust and cannot be accessed by creditors of the Trustee or the City.
- 3) In the event of the participants termination of employment, assets in his/her account may be (a) distributed as a lump-sum to the participant, (b) rolled over to an IRA or other qualified retirement plan that accepts rollovers, or (c) used to purchase PERS service credits, if the employee is eligible.
- 4) Employees can reenter the PARS program at anytime if they are rehired by the City (i.e. PST's who skip a summer of employment but expect to return the following summer/season). At the employee's election, their contributions may remain in an account until the plan administrator is notified of final termination.
- 5) Of course, a major benefit of PARS is the elimination of uncertainty. Once an employee is eligible and decides to access their PARS account, the money will be there. With Social Security there is no such guarantee.

The financial benefits that PARS provides for the City are described further under "Fiscal Impact" below.

Contribution Split

Social Security requires a contribution of the equivalent of 12.4% of salary; however, OBRA requires a 7.5% contribution to a fully vested retirement account. The City determines the contribution split between the employee and employer. There are three basic forms of contribution split:

| Contribution Split | Employer | Employee |
|---------------------------|-----------------|-----------------|
| Scenario 1 | 1.30% | 6.20% |
| Scenario 2 | 3.75% | 3.75% |
| Scenario 3 | 0.00% | 7.50% |

Other participating agencies recently joining PARS have decided upon the split represented in Scenario 3 - 7.50% employee and 0% employer. **Staff recommends that the City of Lodi implement Scenario 3.** Even with the additional 1.3% contribution rate, from 6.2 to 7.5%, the net effect of using pre-tax dollars will result in additional take home pay to the employee.

Transitioning into PARS

There are three approaches whereby current PST's could be transitioned into participation in the PARS plan:

- 1) Enroll all PST's immediately into PARS effective the first full pay period in September 2006 (in the case of new employees, enrollment in PARS would be effective their first day on the job).

- 2) Allow PST's to select whether they wish to participate in Social Security or PARS.
- 3) Enroll all PST's immediately into PARS, but allow those with greater than 30 quarters to decide whether to remain in Social Security until they become vested in Social Security or join PARS immediately.

It takes 40 quarters to become vested in Social Security. Currently there are only two PST's who have earned greater than 30 quarters while employed by the City. It is possible other PST's may have earned greater than 30 quarters via a combination of City of Lodi employment and other agency employment, but it is impossible to know without asking each person.

The following table provides a breakdown of the City's 300 currently active PST's:

| Quarters earned with City | No. of PST's | Percent |
|---------------------------|--------------|---------|
| Zero quarters | 183 | 61 |
| Zero to 20 quarters | 105 | 35 |
| 20 to 30 quarters | 10 | 3.3 |
| 30 quarters or more | 2 | 0.7 |
| Total | 300 | 100 |

Exhibit A attached provides a more detailed breakdown of current active PST's ages, Social Security quarters earned through employment with the City, and earnings since 1998.

Staff recommends that the City implement the third transitioning approach. This will allow those PST's who may have a reasonable chance of reaching the 40 quarter mark to do so if they wish.

FISCAL IMPACT:

1. With an employee contribution rate of 7.50%, the City will save at least \$56,198 per year. Greater savings will be realized as PST salaries and staffing levels increase in the future should the City's fiscal health improve. This savings is a permanent reduction to annual payroll costs.

| City of Lodi | Social Security | PARS |
|---------------------------------|-----------------|-----------|
| PST Employees | 300 | 300 |
| Annual Payroll Contribution | \$964,484 | \$964,484 |
| Employer Contribution Rate | x6.2% | x 0% |
| Retirement benefit Cost to City | \$59,798 | none |
| PARS Administrative Fee | - | +\$3,600 |
| Total Cost to City | \$59,798 | \$3,600 |

| | |
|--------------------------------|-----------------|
| Social Security Cost | \$59,798 |
| Less PARS Admin. Fee | \$3,600 |
| Savings to City of Lodi | \$56,198 |

2. The PARS plan is a turn-key administration. The Trust Administrator, Phase II Systems (PARS), handles all personnel and participant inquiries, performs monthly valuations of participant accounts, administers the distribution process, ensures reporting requirements, and assures government compliance.

FUNDING AVAILABLE: N/A – the funding source used to pay Social Security contributions for PST's will be reduced by the savings described above.

Ruby Paiste, Financial Services Manager

James Krueger
Deputy City Manager

Attachments

EXHIBIT A

| | Department | Age | Social Security Qtrs | Earnings since 1998 |
|------|--------------------|------|----------------------|---------------------|
| 1 | Police | 40.1 | 28 | 102,332 |
| 2 | Electric Utility | 67.1 | 8 | 90,778 |
| 3 | Parks & Recreation | 38.8 | 28 | 72,436 |
| 4 | Parks & Recreation | 70.9 | 32 | 60,938 |
| 5 | Library | 36.2 | 16 | 53,008 |
| 6 | Parks & Recreation | 20.6 | 24 | 51,386 |
| 7 | Library | 59.0 | 24 | 50,431 |
| mean | | 47.5 | 22.9 | |
| 1 | Parks & Recreation | 24.2 | 16 | 44,061 |
| 2 | Parks & Recreation | 53.7 | 16 | 43,686 |
| 3 | Parks & Recreation | 28.6 | 20 | 41,984 |
| 4 | Parks & Recreation | 23.5 | 16 | 41,869 |
| 5 | Parks & Recreation | 22.5 | 16 | 39,433 |
| 6 | Parks & Recreation | 41.5 | 32 | 39,316 |
| 7 | Police | 22.3 | 16 | 37,313 |
| 8 | Parks & Recreation | 24.1 | 20 | 37,247 |
| 9 | Parks & Recreation | 54.9 | 24 | 36,574 |
| 10 | Parks & Recreation | 38.0 | 24 | 35,452 |
| 11 | Administration | 24.2 | 8 | 34,571 |
| 12 | Parks & Recreation | 34.4 | 16 | 33,601 |
| 13 | Library | 55.3 | 16 | 33,466 |
| 14 | Public Works | 69.5 | 16 | 30,899 |
| 15 | Public Works | 46.8 | 16 | 30,377 |
| 16 | Parks & Recreation | 69.8 | 20 | 30,336 |
| 17 | Community Developm | 46.3 | 4 | 29,899 |
| 18 | Library | 24.1 | 12 | 29,748 |
| 19 | Administration | 29.3 | 8 | 29,666 |
| 20 | Library | 70.7 | 20 | 29,248 |
| 21 | Parks & Recreation | 21.4 | 12 | 28,728 |
| 22 | Parks & Recreation | 28.0 | 12 | 28,618 |
| 23 | Parks & Recreation | 67.9 | 8 | 26,549 |
| 24 | Library | 19.8 | 16 | 25,559 |
| mean | | 39.2 | 16.0 | |
| 1 | Parks & Recreation | 23.7 | 8 | 24,025 |
| 2 | Parks & Recreation | 34.5 | 12 | 22,867 |
| 3 | Parks & Recreation | 33.0 | 4 | 22,663 |
| 4 | Parks & Recreation | 31.4 | 8 | 22,366 |
| 5 | Administration | 73.2 | 12 | 21,609 |
| 6 | Administration | 50.5 | 8 | 20,744 |
| 7 | Administration | 71.2 | 8 | 20,138 |
| 8 | Parks & Recreation | 18.6 | 8 | 19,298 |
| 9 | Library | 44.6 | 4 | 19,289 |
| 10 | Parks & Recreation | 21.4 | 12 | 19,272 |
| 11 | Administration | 21.9 | 12 | 18,978 |
| 12 | Administration | 24.2 | 8 | 18,722 |
| 13 | Parks & Recreation | 82.4 | 12 | 18,667 |
| 14 | Parks & Recreation | 21.2 | 8 | 18,244 |
| 15 | Parks & Recreation | 43.9 | 4 | 18,013 |
| 16 | Parks & Recreation | 53.3 | 8 | 17,537 |
| 17 | Parks & Recreation | 17.7 | 4 | 17,385 |
| 18 | Parks & Recreation | 21.8 | 8 | 17,306 |
| 19 | Parks & Recreation | 21.7 | 8 | 17,040 |
| 20 | Administration | 23.1 | 8 | 16,916 |

| | Department | Age | Social Security Qtrs | Earnings since 1998 |
|-------------|--------------------|-------------|----------------------|---------------------|
| 21 | Public Works | 65.8 | 4 | 16,545 |
| 22 | Parks & Recreation | 72.8 | 0 | 15,923 |
| 23 | Parks & Recreation | 20.2 | 12 | 15,884 |
| 24 | Parks & Recreation | 21.1 | 8 | 15,574 |
| 25 | Parks & Recreation | 52.8 | 8 | 15,533 |
| 26 | Administration | 66.4 | 12 | 15,326 |
| 27 | Parks & Recreation | 65.3 | 0 | 14,850 |
| 28 | Parks & Recreation | 23.8 | 8 | 14,776 |
| 29 | Parks & Recreation | 21.2 | 8 | 14,516 |
| 30 | Public Works | 21.5 | 4 | 14,004 |
| 31 | Library | | 4 | 13,479 |
| 32 | Parks & Recreation | 20.3 | 8 | 13,186 |
| 33 | Parks & Recreation | 23.9 | 8 | 13,112 |
| 34 | Parks & Recreation | 22.5 | 4 | 12,888 |
| 35 | Parks & Recreation | 25.8 | 4 | 12,860 |
| 36 | Parks & Recreation | 17.6 | 8 | 12,622 |
| 37 | Library | 49.9 | 8 | 12,502 |
| 38 | Parks & Recreation | 24.9 | 4 | 12,416 |
| 39 | Library | 18.7 | 4 | 11,843 |
| 40 | Library | 18.0 | 4 | 11,653 |
| 41 | Administration | 20.5 | 0 | 11,498 |
| 42 | Parks & Recreation | 25.5 | 0 | 11,496 |
| 43 | Administration | 21.4 | 0 | 11,272 |
| 44 | Library | 53.2 | 0 | 11,265 |
| 45 | Administration | 21.2 | 4 | 11,154 |
| 46 | Parks & Recreation | 42.9 | 0 | 11,130 |
| 47 | Parks & Recreation | 19.0 | 4 | 11,115 |
| 48 | Library | 20.5 | 8 | 11,016 |
| 49 | Parks & Recreation | 53.9 | 4 | 11,011 |
| 50 | Administration | 20.9 | 0 | 10,941 |
| 51 | Parks & Recreation | 60.5 | 4 | 10,910 |
| 52 | Parks & Recreation | 19.9 | 4 | 10,710 |
| 53 | Parks & Recreation | 18.6 | 4 | 10,408 |
| 54 | Public Works | 24.6 | 4 | 10,356 |
| 55 | Parks & Recreation | 51.4 | 0 | 10,349 |
| 56 | Parks & Recreation | 23.4 | 4 | 10,307 |
| 57 | Parks & Recreation | 18.0 | 4 | 10,303 |
| 58 | Parks & Recreation | 41.3 | 0 | 10,252 |
| 59 | Library | 20.8 | 4 | 10,164 |
| 60 | Parks & Recreation | 20.2 | 0 | 10,111 |
| 61 | Parks & Recreation | 64.9 | 4 | 10,086 |
| 62 | Parks & Recreation | 18.3 | 4 | 10,043 |
| 63 | Parks & Recreation | 19.7 | 4 | 10,004 |
| mean | | 33.6 | 5.5 | |
| 1 | Parks & Recreation | 24.2 | 4 | 9,820 |
| 2 | Parks & Recreation | 46.0 | 0 | 9,763 |
| 3 | Community Developm | 41.7 | 4 | 9,539 |
| 4 | Public Works | 28.4 | 8 | 9,467 |
| 5 | Administration | 18.1 | 4 | 9,281 |
| 6 | Library | | 0 | 9,242 |
| 7 | Parks & Recreation | 45.8 | 4 | 9,240 |
| 8 | Parks & Recreation | 18.7 | 4 | 9,168 |
| 9 | Parks & Recreation | 23.7 | 0 | 9,036 |
| 10 | Parks & Recreation | 18.6 | 4 | 8,942 |
| 11 | Parks & Recreation | 17.6 | 4 | 8,837 |

| | Department | Age | Social Security Qtrs | Earnings since 1998 |
|----|--------------------|------|----------------------|---------------------|
| 12 | Parks & Recreation | 58.8 | 0 | 8,783 |
| 13 | Parks & Recreation | 20.5 | 4 | 8,571 |
| 14 | Library | 21.2 | 4 | 8,448 |
| 15 | Public Works | 56.3 | 0 | 8,305 |
| 16 | Parks & Recreation | 21.6 | 4 | 8,161 |
| 17 | Parks & Recreation | 22.7 | 0 | 8,125 |
| 18 | Parks & Recreation | 19.9 | 0 | 8,055 |
| 19 | Parks & Recreation | 62.2 | 4 | 8,005 |
| 20 | Administration | | 0 | 7,833 |
| 21 | Parks & Recreation | 30.1 | 4 | 7,724 |
| 22 | Parks & Recreation | 51.3 | 0 | 7,719 |
| 23 | Library | 54.9 | 4 | 7,567 |
| 24 | Parks & Recreation | 23.1 | 4 | 7,469 |
| 25 | Parks & Recreation | 18.5 | 0 | 7,456 |
| 26 | Parks & Recreation | 16.8 | 0 | 7,195 |
| 27 | Parks & Recreation | 48.8 | 4 | 7,029 |
| 28 | Library | 33.7 | 4 | 6,955 |
| 29 | Parks & Recreation | 35.5 | 4 | 6,909 |
| 30 | Parks & Recreation | 55.9 | 0 | 6,867 |
| 31 | Administration | 39.7 | 4 | 6,805 |
| 32 | Administration | 22.5 | 4 | 6,734 |
| 33 | Parks & Recreation | 23.0 | 4 | 6,681 |
| 34 | Parks & Recreation | 21.4 | 0 | 6,601 |
| 35 | Parks & Recreation | 58.9 | 4 | 6,587 |
| 36 | Parks & Recreation | 17.3 | 4 | 6,487 |
| 37 | Parks & Recreation | 18.5 | 4 | 6,457 |
| 38 | Parks & Recreation | 42.5 | 0 | 6,435 |
| 39 | Parks & Recreation | 26.1 | 0 | 6,382 |
| 40 | Administration | 44.4 | 0 | 6,346 |
| 41 | Administration | 52.7 | 4 | 6,328 |
| 42 | Parks & Recreation | 20.9 | 0 | 6,254 |
| 43 | Parks & Recreation | 17.2 | 4 | 6,245 |
| 44 | Parks & Recreation | 23.5 | 0 | 5,973 |
| 45 | Administration | 57.3 | 4 | 5,962 |
| 46 | Parks & Recreation | 22.4 | 0 | 5,952 |
| 47 | Parks & Recreation | 18.3 | 0 | 5,884 |
| 48 | Parks & Recreation | 18.9 | 0 | 5,731 |
| 49 | Community Developm | 52.6 | 0 | 5,661 |
| 50 | Parks & Recreation | 17.0 | 4 | 5,470 |
| 51 | Parks & Recreation | 18.2 | 4 | 5,359 |
| 52 | Parks & Recreation | 19.1 | 0 | 5,332 |
| 53 | Parks & Recreation | 17.1 | 0 | 5,292 |
| 54 | Parks & Recreation | 48.9 | 0 | 5,170 |
| 55 | Parks & Recreation | 20.2 | 0 | 5,143 |
| 56 | Parks & Recreation | 17.9 | 4 | 5,121 |
| 57 | Parks & Recreation | 42.5 | 0 | 5,089 |
| 58 | Administration | 51.3 | 0 | 5,069 |
| 59 | Parks & Recreation | 56.6 | 0 | 5,064 |
| 60 | Library | 32.0 | 4 | 5,025 |
| | mean | 32.3 | 2.1 | |
| 1 | Parks & Recreation | 64.2 | 0 | 4,911 |
| 2 | Parks & Recreation | 53.0 | 0 | 4,850 |
| 3 | Parks & Recreation | 50.4 | 0 | 4,849 |
| 4 | Parks & Recreation | 29.2 | 4 | 4,809 |
| 5 | Parks & Recreation | 56.9 | 0 | 4,804 |

| | Department | Age | Social Security Qtrs | Earnings since 1998 |
|----|--------------------|------|----------------------|---------------------|
| 6 | Administration | 18.0 | 0 | 4,709 |
| 7 | Parks & Recreation | 19.2 | 0 | 4,686 |
| 8 | Parks & Recreation | | 0 | 4,601 |
| 9 | Parks & Recreation | 31.0 | 4 | 4,470 |
| 10 | Parks & Recreation | 31.3 | 0 | 4,450 |
| 11 | Parks & Recreation | 56.0 | 0 | 4,424 |
| 12 | Parks & Recreation | 17.9 | 0 | 4,417 |
| 13 | Parks & Recreation | 17.6 | 0 | 4,347 |
| 14 | Parks & Recreation | 18.9 | 0 | 4,275 |
| 15 | Parks & Recreation | 19.8 | 4 | 4,166 |
| 16 | Parks & Recreation | 21.2 | 0 | 4,094 |
| 17 | Parks & Recreation | 18.8 | 0 | 4,067 |
| 18 | Police | 43.0 | 0 | 4,001 |
| 19 | Parks & Recreation | 55.5 | 0 | 3,933 |
| 20 | Parks & Recreation | 19.1 | 0 | 3,919 |
| 21 | Parks & Recreation | 18.1 | 0 | 3,879 |
| 22 | Parks & Recreation | 18.1 | 0 | 3,878 |
| 23 | Parks & Recreation | 21.8 | 0 | 3,862 |
| 24 | Parks & Recreation | 33.1 | 0 | 3,766 |
| 25 | Parks & Recreation | 18.8 | 0 | 3,726 |
| 26 | Parks & Recreation | 52.2 | 0 | 3,714 |
| 27 | Library | 24.4 | 0 | 3,678 |
| 28 | Parks & Recreation | 19.3 | 0 | 3,633 |
| 29 | Parks & Recreation | | 0 | 3,589 |
| 30 | Administration | 59.6 | 0 | 3,582 |
| 31 | Parks & Recreation | 16.8 | 0 | 3,524 |
| 32 | Administration | 27.0 | 0 | 3,468 |
| 33 | Administration | 26.8 | 0 | 3,439 |
| 34 | Parks & Recreation | 51.5 | 0 | 3,428 |
| 35 | Parks & Recreation | 16.2 | 0 | 3,314 |
| 36 | Parks & Recreation | | 0 | 3,305 |
| 37 | Parks & Recreation | 17.5 | 0 | 3,303 |
| 38 | Parks & Recreation | | 0 | 3,233 |
| 39 | Parks & Recreation | 58.0 | 0 | 3,182 |
| 40 | Parks & Recreation | 17.8 | 0 | 3,166 |
| 41 | Parks & Recreation | 19.9 | 0 | 3,122 |
| 42 | Parks & Recreation | 26.1 | 0 | 3,111 |
| 43 | Parks & Recreation | 38.3 | 0 | 3,087 |
| 44 | Library | 19.7 | 0 | 2,945 |
| 45 | Parks & Recreation | 20.5 | 0 | 2,876 |
| 46 | Parks & Recreation | 32.6 | 0 | 2,852 |
| 47 | Parks & Recreation | 19.3 | 0 | 2,812 |
| 48 | Parks & Recreation | 19.6 | 0 | 2,789 |
| 49 | Parks & Recreation | 36.6 | 0 | 2,783 |
| 50 | Parks & Recreation | 17.7 | 0 | 2,742 |
| 51 | Parks & Recreation | 46.8 | 0 | 2,724 |
| 52 | Parks & Recreation | 24.8 | 0 | 2,717 |
| 53 | Parks & Recreation | 21.1 | 0 | 2,669 |
| 54 | Parks & Recreation | 18.3 | 0 | 2,669 |
| 55 | Parks & Recreation | 50.1 | 0 | 2,663 |
| 56 | Parks & Recreation | 20.0 | 0 | 2,629 |
| 57 | Parks & Recreation | | 0 | 2,615 |
| 58 | Parks & Recreation | 19.3 | 0 | 2,593 |
| 59 | Parks & Recreation | 17.3 | 0 | 2,550 |
| 60 | Parks & Recreation | | 0 | 2,532 |
| 61 | Public Works | 36.4 | 0 | 2,457 |

| | Department | Age | Social Security Qtrs | Earnings since 1998 |
|-----|--------------------|------|----------------------|---------------------|
| 62 | Administration | 28.3 | 0 | 2,375 |
| 63 | Parks & Recreation | 51.3 | 0 | 2,362 |
| 64 | Library | 19.4 | 0 | 2,329 |
| 65 | Parks & Recreation | 18.0 | 0 | 2,318 |
| 66 | Parks & Recreation | 54.9 | 0 | 2,268 |
| 67 | Parks & Recreation | 62.7 | 0 | 2,187 |
| 68 | Parks & Recreation | 19.4 | 0 | 2,130 |
| 69 | Parks & Recreation | 22.9 | 0 | 2,129 |
| 70 | Community Developm | 45.9 | 0 | 2,110 |
| 71 | Parks & Recreation | 16.3 | 0 | 2,097 |
| 72 | Parks & Recreation | 44.9 | 0 | 2,089 |
| 73 | Community Developm | | 0 | 2,069 |
| 74 | Parks & Recreation | 18.5 | 0 | 1,983 |
| 75 | Parks & Recreation | 56.4 | 0 | 1,932 |
| 76 | Administration | 33.8 | 0 | 1,892 |
| 77 | Parks & Recreation | 17.7 | 0 | 1,872 |
| 78 | Parks & Recreation | 17.6 | 0 | 1,870 |
| 79 | Parks & Recreation | 18.1 | 0 | 1,843 |
| 80 | Library | 27.7 | 0 | 1,834 |
| 81 | Parks & Recreation | 18.6 | 0 | 1,813 |
| 82 | Parks & Recreation | 19.0 | 0 | 1,739 |
| 83 | Parks & Recreation | 19.4 | 0 | 1,723 |
| 84 | Parks & Recreation | 18.1 | 0 | 1,599 |
| 85 | Community Developm | | 0 | 1,575 |
| 86 | Parks & Recreation | 43.7 | 0 | 1,565 |
| 87 | Parks & Recreation | 19.4 | 0 | 1,536 |
| 88 | Community Developm | 53.4 | 0 | 1,420 |
| 89 | Parks & Recreation | 17.9 | 0 | 1,407 |
| 90 | Parks & Recreation | | 0 | 1,402 |
| 91 | Administration | 19.2 | 0 | 1,370 |
| 92 | Parks & Recreation | 16.7 | 0 | 1,313 |
| 93 | Parks & Recreation | 21.4 | 0 | 1,270 |
| 94 | Parks & Recreation | 53.0 | 0 | 1,267 |
| 95 | Parks & Recreation | 18.5 | 0 | 1,219 |
| 96 | Parks & Recreation | 22.1 | 0 | 1,208 |
| 97 | Parks & Recreation | 23.2 | 0 | 1,195 |
| 98 | Administration | 25.4 | 0 | 1,131 |
| 99 | Parks & Recreation | 20.4 | 0 | 1,117 |
| 100 | Parks & Recreation | 18.9 | 0 | 1,114 |
| 101 | Community Developm | 44.8 | 0 | 1,112 |
| 102 | Parks & Recreation | 19.7 | 0 | 1,091 |
| 103 | Library | 52.3 | 0 | 1,057 |
| 104 | Parks & Recreation | 25.3 | 0 | 1,018 |
| 105 | Parks & Recreation | 18.0 | 0 | 905 |
| 106 | Parks & Recreation | 16.6 | 0 | 896 |
| 107 | Parks & Recreation | 16.3 | 0 | 891 |
| 108 | Parks & Recreation | 55.9 | 0 | 847 |
| 109 | Parks & Recreation | 21.2 | 0 | 817 |
| 110 | Parks & Recreation | 21.0 | 0 | 760 |
| 111 | Parks & Recreation | 38.0 | 0 | 728 |
| 112 | Parks & Recreation | 21.5 | 0 | 726 |
| 113 | Parks & Recreation | 17.3 | 0 | 698 |
| 114 | Parks & Recreation | 17.2 | 0 | 651 |
| 115 | Parks & Recreation | 16.9 | 0 | 634 |
| 116 | Parks & Recreation | 18.7 | 0 | 579 |
| 117 | Parks & Recreation | 17.3 | 0 | 473 |

| | Department | Age | Social Security Qtrs | Earnings since 1998 |
|-------------|--------------------|-------------|----------------------|---------------------|
| 118 | Parks & Recreation | 16.9 | 0 | 470 |
| 119 | Parks & Recreation | 17.9 | 0 | 461 |
| 120 | Parks & Recreation | 19.6 | 0 | 458 |
| 121 | Parks & Recreation | 19.4 | 0 | 432 |
| 122 | Library | 51.2 | 0 | 429 |
| 123 | Administration | 20.9 | 0 | 412 |
| 124 | Parks & Recreation | 19.0 | 0 | 404 |
| 125 | Parks & Recreation | 18.1 | 0 | 398 |
| 126 | Parks & Recreation | 17.7 | 0 | 368 |
| 127 | Parks & Recreation | 17.2 | 0 | 342 |
| 128 | Parks & Recreation | 45.6 | 0 | 311 |
| 129 | Community Developm | | 0 | 300 |
| 130 | Parks & Recreation | 20.2 | 0 | 271 |
| 131 | Parks & Recreation | 18.2 | 0 | 256 |
| 132 | Parks & Recreation | 17.0 | 0 | 256 |
| 133 | Parks & Recreation | 18.8 | 0 | 241 |
| 134 | Parks & Recreation | 18.9 | 0 | 240 |
| 135 | Parks & Recreation | 17.0 | 0 | 233 |
| 136 | Parks & Recreation | 23.8 | 0 | 204 |
| 137 | Community Developm | | 0 | 195 |
| 138 | Parks & Recreation | 18.1 | 0 | 140 |
| 139 | Parks & Recreation | 18.4 | 0 | 138 |
| 140 | Parks & Recreation | 18.6 | 0 | 132 |
| 141 | Parks & Recreation | 17.2 | 0 | 108 |
| 142 | Parks & Recreation | 18.5 | 0 | 69 |
| 143 | Parks & Recreation | 17.2 | 0 | 60 |
| 144 | Parks & Recreation | 59.9 | 0 | 59 |
| 145 | Parks & Recreation | 57.1 | 0 | 51 |
| mean | | 27.8 | 0.1 | |

AGREEMENT FOR ADMINISTRATIVE SERVICES

This agreement ("Agreement") is made this ____ day of _____, 2006, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services (hereinafter "PARS") and the City of Lodi ("Agency").

WHEREAS, Agency has adopted the City of Lodi PARS Section 457 FICA Alternative Retirement Plan (the "Plan") effective _____, 2006, and is desirous of retaining PARS, as Trust Administrator to the PARS Trust, to provide administrative services;

NOW THEREFORE, the parties agree:

1. **Services.** PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as "Exhibit 1" ("Services") in a timely manner, subject to the further provisions of this Agreement.
2. **Fees for Services.** PARS will be compensated for performance of the Services as described in the exhibit attached hereto as "Exhibit 2".
3. **Payment Terms.** Payment for the Services will be remitted directly from Plan assets unless the Agency chooses to make payment directly to PARS. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets, unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.
4. **Fees for Services Beyond Scope.** Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with written notice of the subject services, terms, and an estimate of the fees therefore.
5. **Information Furnished to PARS.** PARS will provide the Service contingent upon the Agency's providing PARS the information specified in the exhibit attached hereto as "Exhibit 3" ("Data"). It shall be the responsibility of the Agency to certify the accuracy, content and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1, PARS shall be under no

duty to question Data received from the Agency, to compute contributions made to the Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for non performance of Services if such non performance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 3, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.

6. **Suspension of Contributions.** In the event contributions are suspended, either temporarily or permanently, prior to the complete discharge of PARS' obligations under this Agreement, PARS reserves the right to bill the Agency for Services under this Agreement at the rates indicated in PARS' standard fee schedule in effect at the time the services are provided, subject to the terms established in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with written notice of the subject services, terms, and an estimate of the fees therefore.

7. **Records.** Throughout the duration of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of Agency access to all records and material relating to calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.

8. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency, subject to applicable law, and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.

9. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.

10. **Indemnification.** PARS and Agency hereby indemnify each other and to hold the other harmless, including their respective officers, directors, employees, agents and attorneys, from any claim, loss, demand, liability, or expense, including reasonable

attorneys' fees and costs, incurred by the other as a consequence of PARS' or Agency's, as the case may be, acts, errors or omissions with respect to the performance of their respective duties hereunder.

11. Compliance with Applicable Law. The Agency shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.

12. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.

13. Force Majeure. When a party's nonperformance hereunder was beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by such cause, including but not limited to: any incidence of fire, flood, acts of God, acts of terrorism or war, commandeering of material, products, plants or facilities by the federal, state or local government, or a material act or omission by the other party.

14. Ownership of Reports and Documents. The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to, and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.

15. Designees. The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Board of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.

16. Notices. All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

(A) To PARS: PARS; 5141 California Avenue, Suite 150; Irvine, CA 92617; Attention: President

(B) To Agency: City of Lodi; 221 West Pint Street, Lodi, CA 95241-1910; Attention: _____ (Plan Administrator)

Notices shall be deemed given on the date received by the addressee.

17. Term of Agreement. This Agreement shall remain in effect for the period beginning _____, 2006 and ending _____, 2009 ("Term"). This Agreement will continue unchanged for successive twelve month periods following the Term unless either party gives written notice to the other party of the intent to terminate prior to ninety (90) days before the end of the Term.

18. Amendment. This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.

19. Entire Agreement. This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or provision of this Agreement, the remaining terms, conditions and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.

20. Attorneys Fees. In the event any action is taken by a party hereto to enforce the terms of this Agreement the prevailing party herein shall be entitled to receive its reasonable attorney's fees.

21. Counterparts. This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart.

22. Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

23. Effective Date. This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.

AGENCY:

BY: _____

TITLE: _____ (Plan Administrator)

DATE: _____

PARS:

BY: _____

TITLE: Senior Vice President

DATE: _____

EXHIBIT 1

SERVICES

PARS will provide the following services for the City of Lodi PARS Section 457 FICA Alternative Retirement Plan:

1. Plan Installation Services:

(A) Meeting with appropriate Agency personnel to discuss plan provisions, implementation timelines, benefit communication strategies, data reporting and contribution submission requirements;

(B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;

(C) Providing for review by Agency legal counsel the documentation needed to establish the Plan;

2. Plan Administration Services:

(A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Trust Program ("Trustee"), based upon information received from the Agency and the Trustee;

(B) Performing periodic accounting of Plan assets, including the allocation of employer and employee contributions, distributions, investment activity and expenses (if applicable) to individual Plan participant ("Participant") accounts, based upon information received from the Agency and/or Trustee;

(C) Acting as ongoing liaison between the Participant and the Agency in regard to distribution payments, which shall include use by the Participants of toll-free telephone communication to PARS;

(D) Coordinating the processing of Participant distribution payments pursuant to authorized written Agency certification of distribution eligibility, authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;

(E) Directing Trustee to liquidate Plan assets (if necessary) and make Participant distribution payments, and producing required tax filings regarding to said distribution payments;

(F) Notifying the Trustee of the amount of Plan assets available for further investment and management, or, the amount of Plan assets necessary to be liquidated in order to fund Participant distribution payments;

(G) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope this Agreement;

(H) Preparing and submitting periodic reports of non-contributing Participants to the Agency;

(I) Preparing and submitting a monthly report of Plan activity to the Agency, unless directed by the Agency otherwise;

(J) Preparing and submitting an annual report of Plan activity to the Agency;

3. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice. In providing the services specified above, PARS will retain qualified professional service providers at its cost as it deems necessary if the service lies outside its area of expertise.

EXHIBIT 2
FEES FOR SERVICES

1. PARS will be compensated for performance of Services, as described in Exhibit 1 based upon the following schedule:

(A) A distribution fee equal to \$12.00 per terminated Participant (“Distribution Fee”), which shall be deducted solely from the terminating Participant’s account;

(B) An annual asset fee paid [by the Agency] [from Plan Assets] based on the following schedule:

| <u>For Plan Assets from:</u> | <u>Annual Rate:</u> |
|-------------------------------------|----------------------------|
| \$1 to \$500,000 | 2.00% |
| \$500,001 to \$2,500,000 | 1.50% |
| \$2,500,001 to \$5,000,000 | 1.25% |
| \$5,000,001 to \$10,000,000 | 1.00% |
| \$10,000,001 and above | 0.75% |

Annual rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula [Annual Rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month]. Asset based fees are subject to a \$300.00 monthly minimum. The total Asset Fees due in a given month shall be allocated proportionately among Participants of the Agency’s Plan in that month, based on account balance. Trustee and Investment Management Fees are not included.

(C) A fee equal to the out of pocket costs charged to PARS by an outside contractor for formatting contribution data on to a suitable magnetic media, charged only if the contribution data received by PARS from the Agency is not on readable magnetic media (“Data Processing Fee”).

EXHIBIT 3

DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information:

1. Contribution Data – readable magnetic media containing the following items of employee information related to the covered payroll period:
 - (A) Agency name
 - (B) Employee's legal name
 - (C) Employee's social security number
 - (D) Payroll date
 - (E) Employer contribution amount
 - (F) Employee contribution amount
2. Distribution Data – written Plan Administrator's (or authorized Designee's) direction to commence distribution processing, which contains the following items of Participant information:
 - (A) Agency name
 - (B) Participant's legal name
 - (C) Participant's social security number
 - (D) Participant's address
 - (E) Participant's phone number
 - (F) Participant's birthdate
 - (G) Participant's condition of eligibility
 - (H) Participant's effective date of eligibility
 - (I) Signed certification of distribution eligibility from the Plan Administrator, or authorized Designee
3. Executed Legal Documents:
 - (A) Certified City Council Resolution
 - (B) Adoption Agreement
 - (C) Plan Document
 - (D) Trustee Investment Forms
4. Other information requested by PARS

RESOLUTION NO. 2006-_____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING AND
AUTHORIZING PARTICIPATION IN THE PUBLIC AGENCY RETIREMENT
SYSTEM (PARS) AS AN ALTERNATIVE RETIREMENT SYSTEM FOR PART
TIME, SEASONAL, AND TEMPORARY EMPLOYEES; AND FURTHER
APPROVING FUNDING AND CONTRIBUTION SPLIT

=====

WHEREAS, it has been determined to be in the City's best interest and its employees to provide a Qualifying Retirement System for all its employees not currently eligible for such a Qualifying Retirement System ("Deferred Compensation FICA Alternative Plan"), thereby meeting the requirements of Section 11332 of the Omnibus Budget Reconciliation Act (OBRA 90) and Section 3121(b)(7)(F) of the Internal Revenue Code (IRC),

WHEREAS, the Public Agency Retirement System (PARS) has made such a system available to the City and its eligible employees and qualifies under OBRA 90 Section 11332, IRC Sections 3121(b)(7)(F) and 457(b), and meets the meaning of the term "retirement system" as given by Section 218(b)(4) of the Federal Social Security Act.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby adopts the PARS 457 Trust, including the PARS Section 457 FICA Alternative Retirement Plan, effective November 1, 2006, the Effective Date for the benefit of employees on that date and hired thereafter; and
2. The City Council hereby appoints the City Manager or his/her successor or his/her designee as the City's Plan Administrator for the Public Agency Retirement System; and
3. The City's Plan Administrator is hereby authorized to implement the plan(s), execute the PARS legal documents on behalf of the City and to take whatever additional actions are necessary to maintain the City's participation in PARS and to maintain PARS compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the City's PARS plan(s).
4. That the City Council hereby approves the funding and contribution split whereby the City will pay administration costs and employees pay a 7.5% contribution rate.

Dated: August 16, 2006

=====

I hereby certify that Resolution No. 2006-_____ was passed and adopted by the Lodi City Council in a regular meeting held August 16, 2006, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. PERRIN
Interim City Clerk

2006-_____



CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Approval of Six-Month Budget for M & P Investments, Hartford and Envision Cases

MEETING DATE: August 16, 2006 City Council Meeting

PREPARED BY: City Attorney's Office

RECOMMENDED ACTION: That the City Council approve a six-month budget for the following PCE/TCE related cases: Hartford, M & P Investments and Envision.

BACKGROUND INFORMATION: The proposed six-month budget is as follows:

| | |
|-------------------|-----------------------|
| M & P Investments | \$ 742,500 |
| Hartford | \$ 835,000 |
| Envision | <u>\$ 365,000</u> |
| Total | \$1,942,500.00 |

FUNDING AVAILABLE: Water Fund

Approved:

Stephen Schwabauer, City Attorney

Approved:

Ruby Pasite
 Financial Services Manager

APPROVED:

Blair King, City Manager



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Approval of Expenses Incurred by Outside Counsel/Consultants Relative to the Environmental Abatement Program Litigation and Various Other Cases being Handled by Outside Counsel (\$177,660.19).

MEETING DATE: August 16, 2006 City Council Meeting

PREPARED BY: City Attorney's Office

RECOMMENDED ACTION: That the City Council approve for payment expenses incurred by outside Counsel/Consultants related to the Environmental Abatement Litigation in the total amount of \$171,560.85, and Various other cases being held by Outside Counsel in the amount of \$6,099.34.

BACKGROUND INFORMATION: Listed below are invoices from the City's outside counsel, Folger, Levin & Kahn; Kronick, Moskovitz, Tiedemann & Girard; and JAMS Mediation Service, for services incurred relative to the Environmental Abatement Program litigation, and various other matters that are currently outstanding and need to be considered for payment.

Folger Levin & Kahn - Invoices Distribution

| | | | | Water Acct. |
|------------|-------------|-----------|-------------------------------------|-----------------|
| | | | | Total |
| Matter No. | Invoice No. | Date | Description | Amount |
| 8001 | 96372 | 06/30/06 | General Advice/Envir. Issues | \$470.00 |
| 8002 | 96378 | 6/30/2006 | People v M&P Investments | 58,208.16 |
| | | | | (2,935.00) |
| 8003 | 96377 | 6/30/2006 | Hartford Insurance Coverage Litigat | 106,965.13 |
| | | | | (900.00) |
| 8008 | 96373 | 6/30/2006 | City of Lodi v. Envision Law Group | 5,742.30 |
| | 13486 | 6/30/2006 | Keith O'Brien/PES Environmental,In | 1,012.50 |
| | 6235 | 5/31/2006 | Peter Krasnoff,West Envir.Service | <u>2,440.00</u> |
| | | | | 171,003.09 |

Kronick Moskovitz Tiedemann & Girard - Invoices Distribution

| | | | | Total | Distribution | |
|------------|-------------|----------|------------------------------|-----------------|-----------------|-------------|
| Matter No. | Invoice No. | Date | Description | Amount | 100351.732 | Water Acct. |
| 11233.027 | 226714 | 07/25/06 | Citizens for Open Govt.v.Col | 2,647.88 | 2,647.88 | |
| 11233.029 | 226714 | 07/25/06 | AT&T v. City of Lodi | 281.55 | 281.55 | |
| 11233.031 | 226714 | 07/25/06 | Line of Credit Opinion 2006 | 3,169.91 | 3,169.91 | |
| | | | | <u>6,099.34</u> | <u>6,099.34</u> | - |

APPROVED:

Blair King, City Manager

JAMS

| | | | <u>Distribution/Water Account</u> |
|-------------|-----------|------------------------|-----------------------------------|
| 1170617-110 | 6/30/2006 | JAMS Mediation Service | \$ 359.87 |
| 1180071-110 | 7/31/2006 | JAMS Mediation Service | \$ 197.89 |
| | | | <u>\$ 557.76</u> |

FISCAL IMPACT: Expenses in the amount of \$6,099.34 will be paid out of the General Fund with \$2,647.88 of that amount billed to Walmart for City's defense of the Citizens for Open Government litigation. The remaining expenses will be paid out of the Water Fund.

FUNDING AVAILABLE:

| | |
|--------------|--------------|
| Water Fund | \$171,560.85 |
| General Fund | \$ 6,099.34 |

Approved:

Approved:

Ruby Paiste, Financial Services Manager

Stephen Schwabauer, City Attorney